

The NDDR Provides All Tax Information and Tax Forms
Free of Charge to the Public



TAXES

Help Fund Development
Help Fund Infrastructure
HELP OUR COMMUNITY

NATIONAL DIRECTORATE OF DOMESTIC REVENUE

Dili District Office: Av. Pres. Nicolao Lobato - Receitas e Alfândegas Edeficio - Dili

Baucau District Office: Villanova St, Kota Baru, Baucau

Maliana District Office: Holsa St. Maliana

Phone: (670) 3310059 / 60

Website: <http://www.mof.gov.tl/taxation>



Ministry of Finance

National Directorate
of Domestic Revenue

Services Tax

Taxes and Duties Act 2008

General Series Tax Information BR2—07/2008

Effective from: 07/2008

This brochure tells taxpayers about Services Tax. The brochure explains how this tax type is administered by the National Directorate of Domestic Revenue (NDDR). This brochure will direct you to other information guides for more detailed information, if required.

**Taxes Help Pay
For Development of Timor Leste
&
The Welfare of OUR Community**

Telephone: (670)3310059/60

Services Tax

What is Services Tax?

Services Tax is a tax on total monthly sales of certain designated services in Timor Leste. It is payable on the total receipts from providing those services.

What are the designated services subject to Services Tax?

The designated services subject to Services Tax are:

Designated Services

- Hotel Services
- Restaurant and Bar Services
- Telecommunication Services

What is the Services tax rate?

Services Tax is 5% of the total receipts received for the provision of any of the designated services listed above.

Services Tax	Tax Rate
Paid on gross sales of services When sales are \$500.00 or more in any calendar month	5%

For more information about calculating Services Tax payments, ask, your local NDDR Office for a copy of ***Tax Guide G01 Services Tax***

Who pays Services Tax?

Services Tax is payable by the provider of any of the designated services on the total receipts received from providing those services.

What if Your business has Total Receipts of less than \$500.00 per month?

Businesses with total receipts from the provision of a designated service(s) of less than \$500.00 a month do not have to pay Services Tax.

However, if your business earns \$500.00 or more in any-one month from the provision of a designated service you will need to pay Services Tax on the **total receipts received** for that month.

When is Services Tax paid?

Services Tax is paid monthly.

Services Tax is required to be paid by the 15th day of the month after the month in which services were provided. For example, tax on designated services provided during January must be paid on the January monthly taxes form no later than 15th February.

How do You pay Services Tax to the NDDR?

You are required to complete three (3) copies of the ***Consolidated Monthly Taxes Form*** and deliver the forms and the Services Tax payment (and any other tax payments) to a branch of the Banco Nacional Ultramarino (BNU).

The BNU will stamp the forms and return one copy to you for your records.

Where do You get Monthly Tax Forms from?

Consolidated Monthly Taxes Forms are available from the NDDR offices in Dili, Baucau and Maliana. They are also located on the MOF website at: ***www.mof.gov.tl/taxation***

What will happen if You don't pay Services Tax?

If you as a business owner providing designated services do not make Services Tax payments as required you may incur penalties and be prosecuted in Court.

What Service Tax records do You need to keep?

All businesses are required to keep records verifying all income received from business activities and all expenses incurred (such as receipts, invoices and cash books) and accounting records (such as sales and expenditure journals and ledgers).

You must keep these records for 5 years after the end of the calendar year in which the income was received and the tax payments were paid to the NDDR.

Further Information

Further information is available from the following NDDR District Offices:

- **Dili District Office:** Av. Pres. Nicolao Lobato - Receitas e Alfândegas Edeficio - Dili , Telephone (670) 331 0059 / 60
- **Baucau District Office:** Vilanova St., Baucau, and;
- **Maliana District Office:** Holsa St., Maliana.

In addition, full copies of rulings, guides and other information may be downloaded from the MOF Website: ***www.mof.gov.tl/taxation***