



GUYANA NEWS

Raised tax threshold and lowered rates offer more disposable income to workers – Singh



Dr Ashni Singh

By Stabroek News January 20, 2025





the new income tax regime saying that three aspects of increasing income were looked at, where the threshold has been raised to \$130,000, the second \$130,000 being taxed at 25% and any remainder seeing taxes of 35%.

“We are doing three things. The first is taking the threshold up to \$130,000. So we are taking up the threshold and bringing down the two rates – the first from 28% to 25% and the second from 40% to 35% applicable on anything above the second \$130,000,” Singh told Stabroek News in a request for clarification.

He explained that during the budget speech he could not go into full details with examples.

It was also explained to this newspaper by a source that breaking the regime down was simple. “For example, we are not looking at NIS or any other deduction you may have. So if you are bringing in an income of \$300,000, the first \$130,000 of that sum would be tax free and you are then left with \$170,000 to be taxed. Of that \$170,000, the second \$130,000 will see 25% taxes being deducted or \$32,500. The remainder which is \$40,000, will then incur a Pay as you Earn (PAYE) regime of 35% and that means \$14,000. So you would pay in total income tax on that monthly salary \$46,500 your take home would be \$253,500. But remember that we did not take [into consideration] NIS or any other insurance or deductions your company may have,” the source explained.

“Similarly, if a person makes \$150,000 per month. You take out that \$130,000 and 25% taxes would be on the \$20,000, and I have to emphasise that this is just to give a math example without NIS, which is very important...” the source added.



that there were new adjustments to personal income taxes.

“Mr Speaker, in 2022, the income tax threshold was increased from \$65,000 to \$75,000 monthly then to \$85,000 in 2023 and most recently to \$100,000 in 2024. I now wish to announce an increase of the threshold to \$130,000 monthly, with effect from the year of income 2025. This represents a doubling of the threshold from the time we entered office. This will result in an additional \$8.5 billion in disposable income for workers and the removal of 22,000 persons from the tax net,” he said.

“...Mr. Speaker, finally, in the interest of increasing disposable income in the hands of workers, I wish to announce a reduction in the Personal Income Tax rate from 28 percent to 25 percent for employed and self-employed workers. This measure will increase the disposable income of more than 100,000 of taxpayers and is estimated to put \$3.6 billion back into the hands of these taxpayers,” he added.

Overall, he said, Budget 2025’s measures, “will aggregate to over \$90 billion, not including the impact of the electricity tariff adjustment and the removal of the excise tax on fuel, being placed in the hands of individuals and businesses to promote the growth and expansion of economic activity and job creation.”

Meanwhile, adjustments were also made to taxes paid on overtime where up to the first \$50,000 of those earnings would be tax-free. “This measure is designed to ensure workers are rewarded for their productivity and effort. The estimated annual cost of this intervention is over \$600 million,” Singh said.



primary job, the first \$50,000 of income earned monthly from their second job would be non-taxable. This measure will incentivise and reward persons for hard work and increase disposable income by over \$500 million.”



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Martin

22 days ago

Comrade you need to read Stabroek News "How the cost of living is affecting me"



naical steps are needed to alleviate the peoples' conditions::

0 0 Reply



Iggi

22 days ago

You are pimping poor guyanese

0 0 Reply



Dr. W. C. Star

22 days ago edited

Raising the Tax Threshold is a wise step. Why not lower the blood sucking Value Added Tax (VAT) to a flat Seven Percent (7 %) ?

Citizens who carry out repairs to and repaint their Homes should not be required to pay V. A. T. !! Let's not only " develop " Guyana, let's beautify Guyana. Down with Shanty towns !
Om Shanti, Shanti - Om !!

0 0 Reply



Rakhi Sangh

22 days ago

How many private sector employees or self- employed persons pay taxes?

1 0 Reply



Prof. One Luv → Rakhi Sangh

22 days ago

Great question Rakhi. I always ask and is convince that only one set of people pay taxes in Guyana - Teachers, Public Servants and Govt employees to name a few.

1 0 Reply



flabbygasted

22 days ago

This guy is hands down a lackey and enabler for every wish coming from his Boss.

I saw him getting some papers signed by the boss, he offered the papers in two hands and I actually saw him bow to the V.P.

0 0 Reply



fmguycan

22 days ago

The tax rate of 28% should have been 20% and the 40% should have been 30% to make



Businesses should have a special tax rate. Put the rich and wealthy in a bracket by themselves so you don't have to flees the low and middle income earners.

Let them pay their fair share.

0 0 Reply



Sultan Mohamed

22 days ago

Minister Singh



The increase of \$4000 to pensioners is shameful in your budget for 2025.

Old people cannot survive with the pittance you have given them.

You are hoodwinked by dealing with total sums and believe this is good. It is not. Please increase the pensioners payout by \$10,000.

People who are poor don't care about infrastructure developments and new hospitals and schools which the GOG undoubtedly should be given credit.

The GOG believes that with all the disposed house lots, free education etc that they will vote for the PPP/C in the coming elections.

You will be in for a shock at the coming elections. Poor people who are feeling the pinch will stay away from the polls.

Do something please before you live to regret it

1 0 Reply



Prof. One Luv → Sultan Mohamed

22 days ago edited



Sultan, I cannot agree with you more "The increase of \$4000 to pensioners is SHAMEFUL in your budget for 2025." The manner these seniors are treated really rest on my heart like a tonne of bricks. Where is the CARING for these pensioners. Very sad state.

I wish that I can give \$41,000.00 G to any of these politicians on either side of the racial dive to live on for a month.

0 0 Reply



MH → Sultan Mohamed

22 days ago



Presidents pension rises with any increase to sitting president salary? Is this correct?

0 0 Reply



22 days ago

What about the huge issue belonging to failures of the NIS. \$10,000 is not enough for old age pensioners.
You are right I think, most poor people are being left behind in the "Reagonomics" style of governments.
and when did you get a politician admitting regretting?

0 0 Reply



Col123 → Sultan Mohamed



22 days ago

I agree with 10 K increase during an election year...it's good politics, can also better their living standards..if money alone can do that.

0 0 Reply



Surujpaul Rampersaud → Col123



22 days ago

There no way a govt can save itself from the broadside. You give \$4000,00 + and it is too low. Increase it by \$10,000,00 and you are accused of vote buying in an election year.
Some folks will always find a reason to complain.

1 0 Reply



Proximo



22 days ago

This clarification does not explain the memo.
The memo says that the next 260k after the threshold of 130k will be taxed at 25%. SN, kindly clarify.
One could say that the income tax threshold has moved from 100k to 190k (130 + 50 + 10).
Not bad.

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