

## MRA reinforces Tax Recovery

The Mauritius Revenue Authority (MRA) is mandated to administer and collect taxes due in Mauritius. Most of the taxpayers honour their tax obligations in a timely manner to the MRA. However, there are some who still have outstanding arrears.

In the current situation, where the Covid-19 pandemic has adversely impacted on revenue, the MRA has embarked on a vast program of recovery of Arrears of Tax due with a view to provide the state with the required financial resources for the development of the country.

Where applicable, prosecution procedures are being initiated for the offence of “failure to pay tax due”. In some cases the MRA has solicited the intervention of the court for the sale of immovable properties.

A taxpayer (individual or corporate) who is liable for taxation in Mauritius has the obligation to furnish tax returns and pay the appropriate taxes, if any, within the prescribed delay.

In the case, where the taxpayer fails to:

- submit tax returns, or
- pay the taxes due, or
- declare the correct amount of tax,

the MRA will issue assessments to claim the correct amount of tax payable. The taxpayer will be required to pay the outstanding tax, once any objection to the amount claimed has been resolved through the appropriate dispute resolution mechanism. Default in payment of the outstanding taxes will give rise to Arrears of Tax due.

The legislative framework in place empowers the MRA to recover the arrears of tax due through a number of recovery actions and includes:

1. Deductions from Salary/Wages;
2. Attachment orders of sums held by third parties and payable to the taxpayer;
3. Recovery of tax by distress and sale of the goods, chattels and effects of the taxpayer or of the person answerable for its payment;
4. Inscribed privilege on immovable property; and
5. Recovery of tax by sale of immovable property.

The MRA appeals to taxpayers having outstanding Arrears of Tax, in a spirit of responsibility and patriotism to the country, to come forward and settle the tax due. They will at the same time avoid the tax recovery actions.

Taxpayers are reminded that interests/surcharges continue to accrue where outstanding tax debts remain unpaid.