

AS AMENDED IN THE H.O.R.

No. 24 of 2017

Third Session Eleventh Parliament Republic of
Trinidad and Tobago

HOUSE OF REPRESENTATIVES

BILL

AN ACT to provide for the variation of certain duties and
taxes and to introduce provisions of a fiscal nature
and for related matters

THE FINANCE BILL, 2017

Explanatory Notes

(These notes form no part of the Bill but are intended only to indicate its general purport)

This Bill seeks to amend the Private Hospitals Act, Chap. 29:03, the Motor Vehicles and Road Traffic Act, Chap. 48:50, the Treasury Bills Act, Chap. 71:40, the Income Tax Act, Chap. 75:01, the Corporation Tax Act, Chap. 75:02, the Value Added Tax Act, Chap. 75:06, the Miscellaneous Taxes Act, Chap. 77:01, the Customs Act, Chap. 78:01 and the Central Bank Act, Chap. 79:02.

PART I

PRELIMINARY

Clause 1 of the Bill would provide for the short title of the Bill.

Clause 2 of the Bill would provide for the commencement of specific clauses of the Bill.

PART II

PRIVATE HOSPITALS

Clause 3 of the Bill would amend the Private Hospitals Act to increase the fine for persons found guilty of an offence under the Act.

PART III

MOTOR VEHICLES AND ROAD TRAFFIC

Clause 4 of the Bill would amend the Motor Vehicles and Road Traffic Act to adjust to motor vehicle taxes and customs duty payable in respect of specific classes of motor vehicles.

PART IV

TREASURY BILLS

Clause 5 of the Bill would amend the Treasury Bills Act to allow the Minister to borrow in Trinidad Tobago such sum or sums not exceeding in the aggregate five thousand million Trinidad and Tobago dollars or the equivalent in any foreign currency.

PART V
INCOME TAX

Clause 6 of the Bill would amend the Income Tax Act to remove current restrictions on the grant of parcels of land as approved agriculture holding that is in excess of one hundred acres in area.

PART VI
CORPORATION TAX

Clause 7 of the Bill would amend the Corporation Tax Act to provide for the rate of corporation tax payable by a company to be thirty per cent on the profits of the company whereas the tax payable by a person licensed to carry on banking business would be at a rate of thirty-five per cent.

PART VII
VALUE ADDED TAX

Clause 8 of the Bill would amend the Motor Vehicles and Road Traffic Act, to adjust value added tax that would become payable in respect of specific classes of motor vehicles.

PART VIII
MISCELLANEOUS TAXES

Clause 9 of the Bill would amend the Miscellaneous Taxes Act to provide for the implementation of a winnings tax on all prize money to be paid by the National Lotteries Control Board that is in excess of one thousand dollars.

PART IX
CUSTOMS

Clause 10 of the Bill would amend the Customs Act to adjust to customs duty that would become payable in respect of specific classes of motor vehicles.

PART X
CENTRAL BANK

Clause 11 of the Bill would amend the Central Bank Act to increase the amount of advances that the Central Bank can make to the Government.

BILL

AN ACT to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters

[, 2017]

ENACTED by the Parliament of Trinidad and Tobago as Enactment follows:

PART I PRELIMINARY

1. This Act may be cited as the Finance Act, 2017. Short title

Commencement

2. (1) Sections 3, 4, 6, 7, 8 and 10 come into operation on 1st January, 2018.

(2) Section 9(a) comes into operation on such day as is fixed by the President by Proclamation.

PART II

PRIVATE HOSPITALS

Chap. 29:03
amended

3. The Private Hospitals Act is amended in section 29—

(a) in paragraph (a), by deleting the words “ten thousand” and substituting the words “one hundred thousand”; and

(b) in paragraph (b), by deleting the words “two hundred” and substituting the words “fifteen hundred”.

PART III

MOTOR VEHICLES AND ROAD TRAFFIC

Chap. 48:50
amended

4. The Motor Vehicles and Road Traffic Act is amended in the Fourth Schedule by deleting paragraphs 8, 9 and 10 and substituting the following new paragraphs:

“No motor
vehicles tax
on vehicles
manufac-
tured to use
compressed
natural gas

8. (1) Notwithstanding paragraph (1), motor vehicles tax shall not be charged, levied and collected in respect of a—

(a) new motor vehicle, imported for private or commercial use, with an engine size not exceeding 1599 cc, which is manufactured to use compressed natural gas;

(b) used motor vehicle, imported

for private or commercial use, with an engine size not exceeding 1599 cc, which is—

- (i) manufactured to use compressed natural gas; and
 - (ii) not older than four years from the year of manufacture;
- (c) new motor vehicle, imported for commercial use, with an engine size exceeding 1599 cc, which is manufactured to use compressed natural gas; and
- (d) used motor vehicle, imported for commercial use, with an engine size exceeding 1599 cc, which is—
- (i) manufactured to use compressed natural gas; and
 - (ii) not older than four years from the year of manufacture.

(2) Paragraph 8(1)(c) and (d) expire on 31st December, 2020.

No motor vehicles tax on electric vehicles

9. (1) Notwithstanding paragraph (1), motor vehicles tax shall not be charged, levied and collected in respect of a—

- (a) new electric vehicle which is imported for private or commercial use, with an engine size not exceeding 159 kilowatts;

- (b) used electric vehicle imported for private or commercial use, with an engine size not exceeding 159 kilowatts, which is not older than four years from the year of manufacture;**
- (c) new electric vehicle which is imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts; and**
- (d) used electric vehicle imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts, which is not older than four years from the year of manufacture.**

(2) In this paragraph, an “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

(3) Paragraph 9(1)(c) and (d) expire on 31st December, 2020.

No motor
vehicles tax
on hybrid
vehicles

10. (1) Notwithstanding paragraph (1), motor vehicles tax shall not be charged, levied and collected in respect of a—

- (a) new hybrid vehicle which is imported for private or commercial use, with an engine size not exceeding 1599 cc;**

- (b) used hybrid vehicle imported for private or commercial use, with an engine size not exceeding 1599 cc, which is not older than four years from the year of manufacture;**
- (c) new hybrid vehicle which is imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc; and**
- (d) used hybrid vehicle imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than four years from the year of manufacture.**

(2) In this paragraph, a “hybrid vehicle” means a vehicle which is capable of being propelled by a combination of an internal combustion engine and an on-board rechargeable energy system or other energy storage device.

(3) Paragraph 10(1)(c) and (d) expire on 31st December, 2020.”.

PART IV TREASURY BILLS

5. The Treasury Bills Act is amended in section 2(1)(a) by deleting the words “two thousand” and substituting the words “five thousand”. Chap. 71:40 amended

PART V
INCOME TAX

Chap. 75:01
amended

6. The Income Tax Act is amended in section 14(5), by deleting paragraph (a).

PART VI
CORPORATION TAX

Chap. 75:02
amended

7. The Corporation Tax Act is amended in the First Schedule—

(a) by deleting paragraph 1 and substituting the following paragraph:

“ 1. Subject to paragraphs 2, 3 and 4, the rate of corporation tax payable on the profits of a company is thirty per cent per annum.”; and

(b) by inserting after paragraph 3, the following paragraph:

“ 4. A person licensed to carry on banking business or the business of banking under the Financial Institutions Act, shall be subject to corporation tax at the rate of thirty-five per cent per annum.”.

Chap. 79:09

PART VII
VALUE ADDED TAX

Chap. 75:06
amended

8. The Value Added Tax Act is amended in the Second Schedule—

(a) in item 8, by deleting subitems (2), (3), (4) and (5) and substituting the following subitems:

“ (2) A—

(a) new electric vehicle which

is imported for private or commercial use, with an engine size not exceeding 159 kilowatts;

(b) used electric vehicle imported for private or commercial use, with an engine size not exceeding 159 kilowatts, which is not older than four years from the year of manufacture;

(c) new electric vehicle which is imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts; or

(d) used electric vehicle imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts, which is not older than four years from the year of manufacture.

(3) In subitem (2), “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

(4) A—

(a) new hybrid vehicle which is imported for private or commercial use, with an engine size not exceeding 1599 cc;

- (b) used hybrid vehicle, imported for private or commercial use, with an engine size not exceeding 1599 cc, which is not older than four years from the year of manufacture;**
 - (c) new hybrid vehicle imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc; or**
 - (d) used hybrid vehicle, imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than four years from the year of manufacture.**
 - (5) In subitem (4), a “hybrid vehicle” means a vehicle which is capable of being propelled by a combination of an internal combustion engine and an on-board rechargeable energy system or other energy storage device.**
 - (6) Subitems (2)(c) and (d) and (4)(c) and (d) expire on 31st December, 2020.”; and**
- (b) in item 43, by inserting after subitem (2), the following subitems:**
- “ (3) New motor vehicles, imported for commercial use, with an engine size exceeding 1599 cc, which are**

manufactured to use Compressed Natural Gas (CNG).

(4) Used motor vehicles, imported for commercial use, with an engine size exceeding 1599 cc, which are—

(a) manufactured to use Compressed Natural Gas (CNG); and

(b) not older than four years from the year of manufacture.

(5) Subitems (3) and (4) expire on 31st December, 2020.”.

PART VIII

MISCELLANEOUS TAXES

9. The Miscellaneous Taxes Act is amended—

Chap. 77:01
amended

(a) by inserting after Part II, the following Part:

“PART IIA

LOTTERY WINNINGS TAX

Definitions 22A. In this Part—

“Board” has the meaning assigned to it under section 2 of the National Lotteries Act;

“national lottery” has the meaning assigned to it under section 2 of the National Lotteries Act;

“Tax Authority” means the Board of Inland Revenue.

Winnings tax 22B. A tax, to be called “a lottery winnings tax” shall be charged on all prize

money paid out in respect of any paper, ticket or token sold or issued in connection with a national lottery that is in excess of one thousand dollars.

Rate of
Winnings
tax 22C. The lottery winnings tax under section 22B shall be charged at the rate of ten per cent.

Liability to
pay tax 22D. (1) The Board and its agents shall be responsible for withholding winnings tax before the payment of any prize money.

(2) Where the Board or any of its agents fail to withhold lottery winnings tax as required under subsection (1), the Board or its agent, as the case may be, shall in addition to the lottery winnings tax that was not paid, be liable to pay an additional amount of twenty-five per cent of the value of the lottery winnings tax to the Tax Authority.

(3) Where the Board or any of its agents fail to withhold lottery winnings tax as required under subsection (2), the Board or its agent, as the case may be, shall be liable to pay interest on the entire sum at a rate of fifteen per cent per annum.

Payment of
winnings
taxes 22E. (1) The Board shall in respect of all lottery winnings tax withheld by it or any of its agents in any month, pay the lottery winnings tax to the Tax Authority on, or before the fifteenth day of the following month.

(2) Where the Board fails to pay to the Tax Authority lottery winnings tax in accordance with subsection (1), the Board shall, in addition to the lottery winnings

tax that was not paid, be liable to pay an additional amount of twenty-five per cent of the value of the lottery winnings tax to the Tax Authority.

(3) Where the Board fails to pay to the Tax Authority lottery winnings tax as required under subsection (2), the Board shall be liable to pay interest on the entire sum at a rate of fifteen per cent per annum.

(4) Payment of lottery winnings tax under subsection (1), shall be accompanied by a return in such form as may be approved by the Tax Authority and signed by a person authorized by the Board.

President
may remit
or refund
taxes

22F. The President may remit or refund lottery winnings tax to the Board or any penalty associated with the non-payment of lottery winnings tax if the Tax Authority is satisfied that it would be just and equitable to do so.

Tax
Authority
may audit

22G. (1) The Tax Authority may at any time audit the Board to ensure that the correct taxes are paid to the Authority.

(2) The Tax Authority shall, in respect of the collection and recovery of lottery winnings taxes and an audit under subsection (1), have all the powers which the Board of Inland Revenue has in relation to income tax under the Income Tax Act.”; and

(b) by inserting after Part III, the following Part:

“PART IIIA
ENVIRONMENTAL TYRE TAX

Interpretation 27C. In this Part, “Tax Authority” means the Comptroller of Customs and Excise.

Environmental Tyre tax 27D. (1) A tax to be called “an environmental tyre tax” shall be charged on tyres imported into Trinidad and Tobago.

(2) The environmental tyre tax under subsection (1) shall be twenty dollars on every tyre and shall be payable by the importer of the tyre to the Tax Authority.

(3) Environmental tyre tax under subsection (1) shall only apply to tyres with the following tariff heading numbers under the Customs Act:

(a) 4012.20.10;

(b) 4012.20.90; and

(c) 4012.20.00.

Powers of the Comptroller of Customs and Excise 27E. The Comptroller of Customs and Excise may exercise the powers given for the collection, enforcement and management of duty under the Customs Act and any other written law in respect of the environmental tyre tax.

Powers of the President 27F. The power of the President to remit or refund Customs Duty under section 9 of the Customs Act shall apply *mutatis mutandis* to the environmental tyre tax.”.

PART IX

CUSTOMS

10. The Customs Act is amended by repealing sections 45B and 45C and substituting the following sections: Chap. 78:01 amended

“Exemption
re electric
vehicles

45B. (1) Notwithstanding section 6 and the First Schedule, import duty shall not be imposed in respect of a—

- (a) new electric vehicle which is imported for private or commercial use, with an engine size not exceeding 159 kilowatts;**
- (b) used electric vehicle, imported for private or commercial use, with an engine size not exceeding 159 kilowatts, which is not older than four years from the year of manufacture;**
- (c) new electric vehicle which is imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts; or**
- (d) used electric vehicle imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding**

179 kilowatts, which is not older than four years from the year of manufacture.

(2) In this section, an “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

(3) Subsection (1)(c) and (d) expire on 31st December, 2020.

45C. (1) Notwithstanding section 6 and the First Schedule, import duty shall not be imposed in respect of a—

- (a) new hybrid vehicle which is imported for private or commercial use, with an engine size not exceeding 1599 cc;
- (b) used hybrid vehicle, imported for private or commercial use, with an engine size not exceeding 1599 cc, which is not older than four years from the year of manufacture;
- (c) new hybrid vehicle which is imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc; or
- (d) used hybrid vehicle,

imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than four years from the year of manufacture.

(2) In this section, a “hybrid vehicle” means a vehicle which is capable of being propelled by a combination of an internal combustion engine and an on-board rechargeable energy system or other energy storage device.

(3) Subsection (1)(c) and (d) expire on 31st December, 2020.”.

PART X

CENTRAL BANK

11. The Central Bank Act is amended in section 46(2), Chap. 79:02 amended by deleting the word “fifteen” and substituting the word “twenty”.

Passed in the House of Representatives this
day of _____, 2017.

Clerk of the House

I confirm the above and certify that this is a
Money Bill.

Speaker

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Passed in the Senate this day of ,
2017.

Clerk of the Senate (Ag.)

I confirm the above.

President of the Senate

No. 24 of 2017

THIRD SESSION

ELEVENTH PARLIAMENT

REPUBLIC OF

TRINIDAD AND TOBAGO

BILL

AN ACT to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters

Received and read the

First time

Second time

Third time
