

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 Maxi-Taxi Act, Chap. 48:53, 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 vehicle.

PART IV

MAXI-TAXI

Clause 5 of the Bill would amend the Maxi-Taxi Act to provide for the removal of restrictions on the allocation of maxi taxi licenses.

PART V

INCOME TAX

Clause 6 of the Bill 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 percent 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 percent.

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 vehicle.

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 vehicle.

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

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

**PART I
PRELIMINARY**

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

Commencement **2.** (1) Sections 3, 4, 5, 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 –
(a) in subparagraph 8(1) –
(i) in sub-subparagraph (a), by deleting the word “or”;
(ii) by renumbering sub-subparagraph (b) as sub-paragraph (d);
(iii) by inserting after sub-subparagraph (a), the following sub-subparagraphs:
“(b) new motor vehicle, imported for commercial use, which is manufactured to use compressed natural gas;
(c) used motor vehicle, imported for commercial use, which is -
(i) manufactured to use compressed natural gas; and
(ii) is not older than four years from the year of manufacture; or”;

- (b) in subparagraph 9(1) –
 - (i) in sub-subparagraph (a), by deleting the word “or”;
 - (ii) by renumbering sub-subparagraph (b) and sub-subparagraph (d);
 - (iii) by inserting after sub-subparagraph (a), the following sub-subparagraphs:
 - “(b) new electric vehicle, imported for commercial use;
 - (c) used electric vehicle, imported for commercial use, which is not older than four years from the year of manufacture; or”;
 - (iv) by deleting subparagraph (2) and substituting the following subparagraph:
 - “(2) In this paragraph, an “electric vehicle” means a vehicle, with an engine size exceeding 159 Kilowatts but not exceeding 179 kilowatts, which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.”;

- (c) in sub-paragraph 10(1) –
 - (i) in sub-subparagraph (a), by deleting the word “or”;
 - (ii) by renumbering sub-subparagraph (b) as sub-subparagraph (d);
 - (iii) by inserting after sub-subparagraph (a), the following sub-subparagraphs:
 - “(b) new hybrid vehicle which is imported for commercial use; or
 - (c) used hybrid vehicle, imported for commercial use, which is not older than four years from the year of manufacture; or”;
 - (iv) by deleting subparagraph (2) and substituting the following subparagraph:
 - “(2) In this paragraph, a “hybrid vehicle” means a vehicle, with an engine size exceeding 1599 cc by not exceeding 1999 cc, 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.”.

PART IV
MAXI-TAXI

Chap. 48:53
amended

- 5. The Maxi-Taxi Act is amended –
 - (a) in section 6, by repealing subsection (5); and
 - (b) in section 13(1), by deleting paragraph (g).

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.”;

(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 by inserting after item 8A, the following items:

“ 8B. (1) A new electric vehicle which is imported for commercial use.

(2) A used electric vehicle, imported for commercial use, which is not older than four years from the year of manufacture.

(3) In subitems (1) and (2), “electric vehicle” means a vehicle, with an engine size exceeding 159 Kilowatts but not exceeding 179 kilowatts, which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

8C. (1) A new hybrid vehicle which is imported for commercial use.

(2) A used hybrid vehicle, imported for commercial use, which is not older than four years from the year of manufacture.

(3) In subitems (1) and (2) a “hybrid vehicle” means a vehicle, with an engine size exceeding 1599 cc but not exceeding 1999 cc, 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.

8D. (1) A new motor vehicle, imported for commercial use, which is manufactured to use Compressed Natural Gas.

(2) Used motor vehicles, imported for commercial use, which are -

- (a) manufactured to use Compressed Natural Gas; and
- (b) not older than four years from the year of manufacture.”

PART VIII MISCELLANEOUS TAXES

Chap. 77:01
amended

9. The Miscellaneous Taxes Act is amended –

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

Definitions	“PART IIA LOTTERY WINNING TAX
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22A. In this Part –

“Board” has the meaning assign 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 it 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 tax 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 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 winning 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.”;

(a) 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 tyre with the following tariff heading numbers under the Customs Act:

- (a) 4012.20.10;
- (b) 4012.20.90; and
- (c) 4012.20.00.

Power 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.

Power 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 environment tyre tax.”.

PART IX CUSTOMS

Chap. 78:01
amended

10. The Customs Act is amended –

(a) in section 45B –

(i) in subsection (1), by deleting paragraphs (a) and (b) and substituting the following paragraphs:

- “(a) new electric vehicles imported for private use;
- (b) new electric vehicle which is imported for commercial use;
- (c) used electric vehicle imported for private use which is not older than four years from the year of manufacture; and
- (d) used electric vehicle imported for private use which is not older than four years from the year of manufacture.”; and

(b) by repealing subsection (2) and substituting the following subsection:

“(2) In this section, “electric vehicle” means a vehicle, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts, which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.”;

(c) in section 45B –

(i) in subsection (1), by deleting paragraphs (a) and (b) and substituting the following paragraphs:

- “(a) new hybrid vehicles imported for private use;
- (b) new hybrid electric vehicle which is imported for commercial use;
- (c) used hybrid vehicle imported for private use which is not older than four years from the year of manufacture; and

(d) used hybrid vehicle imported for private use which is not older than four years from the year of manufacture.”; and

(ii) by repealing subsection (2) and substituting the following subsection:

“ (2) In this section, “hybrid vehicle” means a vehicle, with an engine size exceeding 1599 cc but not exceeding 1999 cc, 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.”.

PART X
CENTRAL BANK

Chap. 79
amended

11. The Central Bank Act is amended in section 46(2), 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

Passed in the Senate this day of , 2017.

Clerk of the Senate

I confirm above.

President of the Senate