

Second Session Third Parliament Republic of Trinidad
and Tobago



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 11 of 1988

[L.S.]

AN ACT to provide for the imposition or variation of taxes and duties relating to income, profits, customs and excise, telephone and electricity service, for the more efficient collection of the said taxes, the variation of miscellaneous fees, the grant of incentives towards savings and investments, and for the validation of certain acts and omissions.

[Assented to 5th May, 1988]

Enactment

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

Short title

1. This Act may be cited as the Finance Act, 1988.

PART I

FEES RELATING TO CITIZENSHIP AND NATURALISATION

Chap 1:50
amended

2. The Citizenship of the Republic of Trinidad and Tobago Regulations are amended in the Second Schedule by substituting for items 1, 2, 4 and 5 appearing in the First Column, and for the corresponding fees appearing in the Second Column the following—

<i>"Matters in which fee may be taken</i>	<i>Amount of fee</i>
	\$
Grant of Certificate of Citizenship to a minor under section 5—	
(a) application for certificate ...	50.00
(b) where application is approved, a further ...	250.00
Grant of Certificate of Registration to a minor under section 8—	
(a) application for certificate ...	50.00
(b) where application is approved, a further ...	250.00
Grant of Certificate of Citizenship under section 11(2)—	
(a) application for certificate ...	50.00
(b) where application is approved, a further ...	500.00
Grant of Certificate of Naturalisation under section 12—	
(a) application for certificate ...	100.00
(b) where application is approved, a further ...	800.00"

PART II

CERTIFICATE OF GOOD CHARACTER

Chap. 15:01
amended

3. The Police Service Act is amended in section 37A by substituting for the word "ten" occurring in line five the word "fifty".

PART III

FIREARMS FEES

4. The Firearms Regulations are amended in the Third Schedule by substituting for the fees appearing against items 1 and 3, the words “\$100.00”. Chap. 16:01
amended

PART IV

IMMIGRATION FEES

5. The Immigration Regulations are amended by substituting for the Fourth and Seventh Schedules the following— Chap. 18:01
amended

“FOURTH SCHEDULE

(Regulation 53)

IMMIGRATION REGULATIONS

A. Fees in respect of the Issue of Miscellaneous Permits and Certificates—

	\$	c
(i) For variation, or extensions of Landing Certificate (beyond ninety (90) days from date of arrival)	200	00
(ii) On application for the grant of Work Permit	400	00
(iii) For the duration of Work Permit	300	00
	per month	subject to a
	of	minimum
	900	00
(iv) Certificate for Facilitation of Entry—		
(a) for citizens or residents of Caribbean Free Trade Association Territories and of Caribbean Common Market Countries	100	00
(b) for persons who are not citizens or residents referred to in (a)	500	00
(v) Certificate of Residence	400	00
(vi) Student's Permit	200	00
(vii) Application for Visa Waiver	100	00
(viii) Change of Status	100	00
(ix) Certificate of Residence under Amnesty Programme—		
(a) Application fee (non-refundable)	200	00
(b) Certificate Fee	300	00
(x) Issue of letters confirming citizenship or residence	200	00

B. Citizens of Caricom countries shall pay one-half the fees stipulated at items (i), (v), (vi), (viii) and (ix).

SEVENTH SCHEDULE

(Regulation 53A)

IMMIGRATION REGULATIONS

Fees in respect of Travel Documents

Travel Documents

Fees Payable

(a) Passports—

	\$	c.
(i) Adult (size A—32 pages)	100	00
(ii) Child (under 16 years of age for five years renewable without charge after the first five years for full validity of ten years)	25	00
(iii) Special (size B—96 pages)	300	00
(b) Replacement of lost or mutilated passport	300	00
(c) Travel Permit	100	00
(d) Emergency Certificate	100	00
(e) Certificate of Identity	300	00
(f) Seaman's I.D.	100	00
(g) Endorsement	50	00
(h) Affidavit in lieu of Passport	300	00
(i) Visa	50	00

PART V

BIRTHS AND DEATHS FEES

Chap. 44:01
amended

6. The Births and Deaths Registration Act is amended in the Third Schedule by substituting for the words "\$2.00" appearing against items 2 and 3, the words "\$12.50".

PART VI

MARRIAGE FEES

Chap. 45:01
amended

7. The Marriage Act is amended in section 35 by substituting for the words "\$1.00" appearing in lines ten and eleven, the words "\$12.50".

Chap. 45:02
amended

8. The Muslim Marriage and Divorce Regulations are amended in Part A of the Schedule by substituting for the words "\$0.75" and "\$1.50" appearing in lines eight and nine the words "\$12.50".

Chap. 45:03
amended

9. The Hindu Marriage Regulations are amended in Part II by substituting for the words "\$1.00" appearing in lines seven and eight, the words "\$12.50".

PART VII

TELEPHONE TAX

10. The Trinidad and Tobago Telephone Act is amended by inserting immediately after section 11, the following new section—

Chap. 47:30
amended

"Tax on
telephone
service

11A. (1) There shall be charged on subscribers a telephone tax of ten per cent on all billings by the Company for tolls and rentals in respect of any period commencing on or after 8th January, 1988, which tax is payable to the Company by all subscribers, save that in the case of residences the tax shall not be charged on rentals.

(2) For the purposes of this section the Board of Inland Revenue (hereinafter called "the Board") shall be the tax authority and the Company shall be the collector of the tax, which tax shall be deposited with the Comptroller of Accounts for the account of the Board, on or before the tenth day of the month following that in which the tax was paid by the subscriber.

(3) Where monies paid by a subscriber represent less than the full amount of his liability to the Company and the tax, the tax payable under this section shall be deducted by the Company before any monies are credited to the account of the subscriber.

(4) The Board may do all such acts as it may deem necessary or expedient for raising, collecting, receiving and accounting for the telephone tax in like and as full and ample a manner as the Board is authorised to do in relation to any other tax under the care and management of the Board.

(5) Where a payment in respect of the tax is made in accordance with this section, the tax so paid shall be deemed to have been received by the Board from the subscriber on the date on which it was paid by the subscriber."

PART VIII

MOTOR VEHICLE LICENCE FEES

Chap. 48:50
amended

11. The Motor Vehicles and Road Traffic Act is amended—

(a) in section 2 by inserting immediately after the definition of “indivisible load” the following new definition—

““industrial tractor” means a tractor used exclusively for industrial purposes under the authority of a licence issued by the Licensing Authority under this Act;”;

(b) in the First Schedule—

(i) in item (1) by substituting for the words “\$10.00”, “\$12.00” and “\$20.00” occurring under the column “Fees and Duties”, the words “\$30.00”, “\$18.00” and “\$30.00” respectively;

(ii) in item (2) by substituting for the words “\$12.00” and “\$20.00” occurring under the column “Fees and Duties”, the words “\$18.00” and “\$30.00” respectively;

(iii) in item (3) by substituting for the words “\$24.00” and “\$36.00” occurring under the column “Fees and Duties”, the words “\$36.00” and “\$54.00” respectively;

(iv) by substituting for item (4) the following—

(A) “(4)(a) Private Motor Cars, Station Wagons and Estate Cars—

Maximum Gross Weight	HORSE POWER—R.A.I. RATING					
	12 and under	Over 12	Over 20	Over 30	Over 40	Over 50
Up to 1,599 lb. ...	\$ 101 25	\$ 157 50	\$ 213 75	\$ 360 00	\$ 540 00	\$ 735 00
1,600–2,099 lb. ...	123 75	184 50	318 00	390 00	585 00	765 00
2,100–2,599 lb. ...	157 50	213 75	360 00	435 00	615 00	810 00
2,600–3,099 lb. ...	213 75	360 00	435 00	510 00	690 00	885 00
3,100–3,599 lb. ...	360 00	435 00	510 00	585 00	765 00	960 00
3,600–4,099 lb. ...	435 00	510 00	585 00	660 00	780 00	1,035 00
4,100 lb. and over ...	510 00	585 00	660 00	735 00	915 00	1,110 00.”;

(B) “(4)(b) Other vehicles

MAXIMUM GROSS WEIGHT		MOTOR BUS		GOODS VEHICLES		Trailer	Indus-trial Tractor	Agricul-tural Trailer
Ex-ceed-ing (kg)	Not Ex-ceed-ing (kg)	Petrol	Other than Petrol	Petrol	Other than Petrol			
—	1015	\$ 112 50	\$ 472 50	\$ 101 25	\$ 461 25	\$ 37 50	\$ 461 25	31 per cent of the rates for goods Vehicles’;
1015	1525	112 50	487 50	117 00	492 75	46 50	492 75	
1525	2030	112 50	501 00	135 00	524 25	57 00	524 25	
2030	2540	124 50	529 50	153 00	558 00	66 00	558 00	
2540	3050	138 00	556 50	171 00	591 75	75 00	591 75	
3050	3555	151 50	591 00	198 00	636 75	84 00	636 75	
3555	4065	171 00	630 00	234 00	693 00	94 50	693 00	
4065	4570	195 00	676 50	281 25	762 75	105 00	762 75	
4570	5080	225 00	732 00	337 50	843 75	112 50	843 75	
5080	5590	262 50	787 50	393 75	929 25	135 00	929 25	
5590	6095	300 00	844 50	450 00	1,012 50	159 00	1,012 50	
6095	6605	337 50	900 00	506 25	1,098 00	184 50	1,098 00	
6605	7110	375 00	957 00	562 50	1,181 25	205 50	1,181 25	
7110	7620	412 50	1,012 50	618 75	1,266 75	228 00	1,266 75	
7620	8130	450 00	1,069 50	675 00	1,350 00	255 00	1,350 00	
8130	8635	487 50	1,125 00	731 25	1,435 50	285 00	1,435 50	
8635	9145	525 00	1,182 00	787 50	1,518 75	787 50	1,518 75	
9145	9650	562 50	1,234 50	843 75	1,604 25	843 75	1,604 25	
9650	10160	600 00	1,294 50	900 00	1,687 50	900 00	1,687 50	
10160	10670	637 50	1,350 00	956 25	1,773 00	956 25	1,773 00	
10670	11175	675 00	1,407 00	1,012 50	1,851 75	1,012 50	1,851 75	
11175	11685	712 50	1,462 50	1,068 75	1,941 75	1,068 75	1,941 75	
11685	12190	750 00	1,527 00	1,125 00	2,025 00	1,125 00	2,025 00	
12190	13700	787 50	1,575 00	1,181 25	2,110 50	1,181 25	2,110 50	
13700	13210	825 00	1,632 00	1,237 50	2,193 75	1,237 50	2,193 75	
13210	13770	862 50	1,687 50	1,293 75	2,279 25	1,293 75	2,279 25	
13770	14225	900 00	1,743 00	1,350 00	2,362 50	1,350 00	2,362 50	
14225	14730	937 50	1,800 00	1,406 25	2,448 00	1,406 25	2,448 00	
14730	15240	975 00	1,860 00	1,462 50	2,531 25	1,462 50	2,531 25	

- (v) in item (5)(a) by substituting for the words "\$2.00" the words "\$3.75";
- (vi) in item (5)(b)(i) by substituting for the words "\$5.25" the words "\$7.88" and in item (5)(b)(ii) by substituting for the words "\$7.00" the words "\$10.50";
- (vii) in item (6) by substituting for the words "\$6.00" the words "\$9.00";
- (viii) in item (7)(a) by substituting for the words "\$100.00" the words "\$200.00";
- (ix) in item (12) by substituting for the words "\$20.00" the words "\$100.00"; and
- (x) in item (14) by substituting for the words "\$40.00" wherever they appear the words "\$100.00".

PART IX

ELECTRICITY TAX

Chap. 54:70
amended

12. The Trinidad and Tobago Electricity Commission Act is amended by inserting immediately after section 53 the following new section—

"Tax on
electricity
service

53A. (1) There shall be charged on all consumers an electricity tax of five per cent on all billings by the Commission for energy supplied by the Commission on or after 8th January, 1988 which tax is payable to the Commission by all consumers.

(2) For the purposes of this section the Board of Inland Revenue (hereinafter called "the Board") shall be the tax authority and the Commission shall be the collector of the tax, which tax shall be deposited with the Comptroller of Accounts for the account of the Board, on or before the tenth day of the month following that in which the tax was paid by the consumer.

(3) Where the monies paid by the consumer represent less than the full amount of his liability to the Commission and the tax, the tax payable under this section shall be deducted by the Commission before any monies are credited to the account of the consumer.

(4) The Board may do all such acts as it may deem necessary or expedient for raising, collecting, receiving and accounting for the electricity tax in like and as full and ample a manner as the Board is authorised to do in relation to any other tax under the care and management of the Board.

(5) Where a payment in respect of the tax is made in accordance with this section, the tax so paid shall be deemed to have been received by the Board from the consumer on the date on which it is paid by the consumer.”.

PART X

GOVERNMENT SAVINGS BONDS

13. The Government Savings Bonds Act is amended—

Chap. 71:41
amended

- (a) in section 2 by inserting in the definition of “bonds” immediately after the word “Act”, the words “and includes tax free housing bonds so issued”; and
- (b) by inserting immediately after section 2, the following new section—

“Tax free
housing bonds

2A. The proceeds of sale of tax free housing bonds issued under this Act shall be applied solely for the provision of mortgages to individuals for the purchase of houses where the cost of construction together with the cost of the land does not exceed two hundred and fifty thousand dollars.”.

PART XI

INCOME TAX

Chap. 75:01
amended

14. The Income Tax Act is amended—

- (a) in section 5(1)(e) by deleting all the words following the word “otherwise” occurring in line ten;
- (b) in section 8(1) by deleting paragraph (j);
- (c) in section 10—

- (i) by inserting immediately after subsection (1)(c) the following new paragraph—

“(d) in the case of expenses incurred in respect of entertainment or meals provided for the purpose of entertainment, the amount allowed shall be seventy-five per cent of such expenses.”; and

- (ii) by substituting for subsection (4) the following new subsection—

“ (4) Where land and improvements thereon are used by or on behalf of the owner or used rent-free by the occupier, there shall be allowed outgoings and expenses wholly and exclusively incurred in respect of the annual value of such land and improvements referred to in section 5(1)(h)—

- (a) with respect to interest on a loan secured by a deed of mortgage on such land and improvements which is executed, and on which the stamp duty is duly paid on or before the 23rd January, 1987, a sum not exceeding forty-eight thousand dollars;

- (b) with respect to interest on a loan secured by a deed of mortgage on such land and improvements which is executed, and on which the stamp duty is duly paid after the 23rd January, 1987, a sum not exceeding thirty-six thousand dollars;
 - (c) with respect to interest on any other loan or over-draft, a sum not exceeding thirty-six thousand dollars; and
 - (d) with respect to repairs to such property, a sum not exceeding ten thousand dollars.”;
- (d) in section 12 by inserting a new paragraph (j) as follows—
- “(j) rental payments incurred for the purpose of the production of income unless information relating to such payments and to the payee are furnished to the Board in a form approved by the Board.”;
- (e) by inserting immediately after section 13 the following new section—

“Relief for
certain
investors

13A. (1) In this section—

“approved trade” means a commercial activity for profit approved by the Minister under subsection (7);

“associate” in relation to an investor includes a person in any of the following relationships to the investor, that is to say, husband or wife,

parent or remoter forebear, child or remoter issue, brother or sister and partner;

“dispose” means any form of voluntary transfer of the ownership of eligible shares;

“eligible shares” means new shares which, throughout the period of five years beginning with the date on which they are issued, carry no present or future preferential right to dividends or to a company’s assets on its winding up and no present or future preferential right to be redeemed;

“investor” means an individual resident and ordinarily resident in Trinidad and Tobago throughout the year of income in which the shares were purchased who is not at anytime from the date of such purchase for a period of five years—

- (a) a director of the company; or
- (b) an individual who, either alone or with his associate, controls twenty-five per cent or more of the shares or the voting power of the company;

“marginal rate of tax” means the rate of tax which is payable on the last dollar of the chargeable income of that year;

“Minister” means the member of Cabinet to whom the responsibility for industry is assigned; and

“qualifying company” means a company approved by the Minister under subsection (6).

(2) Subject to this section, where an investor subscribes for eligible shares in a qualifying company and the subscription (hereinafter called the “investment”) is made in order to assist the said company to raise capital for the purpose of commencing or continuing an approved trade, the investor is entitled to the relief provided for in this section.

(3) The relief shall be granted in the form of a rebate applied to the amount of the tax assessed in the assessment made by the Board upon the investor for the year of income in which the investment is made, but shall not exceed the amount of such tax.

(4) The rebate is the amount calculated by applying the marginal rate of tax of the investor for the year of income in which the investment is made, to fifty per cent of the investment so made.

(5) The relief shall be granted in respect of an investment of not less than two thousand five hundred dollars and not more than two hundred thousand dollars, and where the investment exceeds two hundred thousand dollars no relief shall be granted in respect of the excess.

(6) The Minister shall grant a certificate of approval to a company as a qualifying company where he is satisfied that such company—

(a) is a private company incorporated and resident only in Trinidad and Tobago having all its issued shares fully paid up;

(b) is locally owned and controlled within the definition of section 16(9) of the Corporation Tax Act;

(c) is in existence wholly or mainly for the purpose of carrying on an approved trade;

(d) is neither a holding nor a subsidiary company; and

(e) derives at least sixty per cent of its gross receipts from an approved trade.

(7) The Minister may approve as an approved trade any activity conducted on a commercial basis which, in his opinion, is—

(a) a new agro-industrial enterprise;

- (b) a non traditional export activity;
- (c) a business venture that creates substantial permanent and productive jobs;
- (d) a business venture that promotes regional development;
- (e) a business venture that creates inter-industrial linkages; or
- (f) a business venture that makes substantial use of domestic raw materials.

(8) The Minister may in approving a company for the purposes of this section impose such conditions as he may consider necessary or expedient.

(9) Where the Minister is of the opinion that the qualifying company—

- (a) has ceased to comply with the requirements of subsection (6); or
 - (b) has failed to comply with any of the conditions imposed by him,
- he may, by notice in writing, withdraw his approval from the date specified in the notice and the company shall cease to be a qualifying company from that date.

(10) Where a shareholder of a qualifying company acquires controlling interest in that company and had acquired or acquires a controlling interest in another company carrying

on a similar trade either two years before or three years after he acquired the controlling interest in the qualifying company, that company shall cease to qualify.

(11) Where within five years after the investment is made—

- (a) an investor disposes of any part of his investment, the relief is withdrawn to the extent of the disposal;
- (b) subject to subsections (13) and (14) a company ceases to be a qualifying company, the relief is withdrawn in respect of the entire investment.

(12) Where the relief is withdrawn, the Board shall make an additional assessment to tax for the year of income for which relief was granted by increasing the tax charged for that year by a sum equal in amount to the relief withdrawn.

(13) Where a company ceases to be a qualifying company at any time after three years from the date on which the investment is made, for the reason only that it has become a public company, the relief shall not be withdrawn.

(14) Where a company is being wound up or otherwise dissolved and—

- (a) it is shown that the winding up or dissolution is for *bona fide* commercial reasons and

not part of a scheme or arrangement mainly for the avoidance of tax; and

- (b) the company's net assets, if any, are distributed to its members or dealt with as *bona vacantia* within five years of the date of the investment or in the case of a winding up, the end of three years from the commencement of the winding up; the relief shall not be withdrawn.

(15) Where an investment is made and the qualifying company was incorporated prior to 8th January, 1988, a claim in respect of such investment shall be submitted within one year from the year of income in which the investment is so made.

(16) Where an investment is made and the qualifying company is incorporated on or after 8th January, 1988, a claim in respect of such an investment may be submitted within two years from the year of income in which the investment is made.

(17) For the purposes of this section, the date on which an investment is made is deemed to be the date on which the eligible shares were issued to the investor.

(18) A claim in respect of an investment shall not be allowed unless it is accompanied by a certificate issued by the company, in such form as the Board

may direct, certifying that the conditions for the relief are satisfied in relation to the investment.

(19) Where the claim is in respect of a company to which subsection (16) applies, the claim shall not be allowed unless it is proved to the satisfaction of the Board that at the time the claim was made the company had been in operation for at least one year.

(20) Where the company issues a certificate to the investor and the statements therein are made fraudulently or negligently, the company commits an offence.”;

(f) in section 14(3) by deleting the words “save that subsection (2)(b) of that section shall not apply”;

(g) in section 16—

(i) by deleting section 16(2)(b); and

(ii) by inserting immediately after subsection (2) the following new subsection—

“ (3) The amount of any loss incurred by a person in any year of income from sources specified in section 5(1)(a), (b) or (c) shall not be set off in that year or any succeeding year against gains or profits from the sources specified in section 5(1)(d) or (e).”;

(h) by inserting immediately after section 34 the following new section—

“Interest on
savings

34A. (1) There shall be charged upon the interest payable to a resident individual on all classes of savings or other accounts with banks, financial

institutions or any person carrying on a trade or business who in the ordinary course of operations receives or retains money in such circumstances that interest becomes payable, where such interest has been paid, credited or has accrued to the individual in a year of income, a tax at the rate of ten per cent on the interest which has been so paid or credited, or which has so accrued and the remainder of the interest so paid or credited or which has so accrued to the individual shall be deemed not to be income of such individual for the purposes of this Act.

(2) The tax shall be deducted by the bank, financial institution or the person referred to in subsection (1) from the interest at the time when that interest is paid, credited or has accrued, and the amount of the tax shall be remitted to the Board on or before the fifteenth day of the month following that in which the tax was deducted.

(3) This section shall not apply to a resident individual to whom the interest which has been paid or credited or which has accrued is not more than five thousand dollars during a year of income and who satisfies the bank, financial institution or the person referred to in subsection (1) that he is an old age pensioner within the meaning of the Old Age Pensions Act, but with effect from the date of commencement of the Finance Act, 1988,

where the interest exceeds five thousand dollars the tax shall be charged on the whole amount of the interest which has been so paid or credited or which has so accrued.

(4) Any bank or financial institution that, or any person referred to in subsection (1) who, fails to deduct the tax or remit the tax to the Board within the time required by subsection (2), commits an offence and, in addition to any other penalty provided for in this Act, is liable to pay together with the tax, interest at the rate of fifteen per cent per annum on such tax.

(5) Where the interest has been accruing to a resident individual prior to 8th January, 1988 and that interest is paid or credited to him on or after that date, the interest is subject to the provisions of this section.”;

- (i) by inserting immediately after section 37A the following new section—

“Deduction
in respect
of purchase
of tax free
housing
bonds

37B. (1) An individual to whom section 17 applies and who purchases tax free housing bonds, shall be entitled to a deduction of an amount equal to the value of the bonds so purchased, but not exceeding the sum of twelve thousand dollars in a year of income.

(2) The deduction mentioned in subsection (1) shall be allowed only—

- (a) to the original purchaser of the bonds; and

(b) in respect of the year of income in which the bonds are purchased.

(3) The interest on that portion of the value of the bonds held by the individual which does not exceed eighty-four thousand dollars is exempt from income tax.”;

(j) by substituting the following for section 45—

“Application
of sections
10, 11 and 12

45. Sections 10, 11 and 12 have effect in relation to annual value referred to in section 42(2)(a), premiums and rents referred to in section 42(2)(b) and interest referred to in section 42(2)(d) and (e) as if section 42 and paragraph 1 of the Fifth Schedule of the Corporation Tax Act had not been enacted.”;

(k) by inserting immediately after section 48 the following new sections—

“Income tax
surcharge

48A. (1) Subject to the provisions of this Act, there shall be charged and paid to the Board, income tax, in this section referred to as “income tax surcharge”, on the total income of every individual for each year of income at the rate of five per cent.

(2) The income of an individual that is exempt under any other written law or section 42 shall be included in the total income subject to the income tax surcharge.

(3) In this section—

“emoluments” has the meaning assigned to it in section 100; and

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“total income” means the aggregate amount of income of an individual from the sources specified in section 5 before making any deductions allowed by any provisions of this Act other than sections 10, 11 and 16 of this Act and the Income Tax (In Aid of Industry) Act.

(4) Where an individual is in receipt of income other than emoluments, the income tax surcharge shall be paid to the Board on or before 31st March, 30th June, 30th September and 31st December in each year of income and the provisions of section 79 shall apply *mutatis mutandis* to this subsection.

(5) Where an individual is in receipt of emoluments, the person paying the emoluments shall deduct from the emoluments, at the time that such emoluments are paid, the amount of the income tax surcharge imposed under this section and shall deposit that sum with the Board and the provisions of section 99 shall apply *mutatis mutandis* to this subsection.

(6) The person paying the emoluments shall deposit the amount of the income tax surcharge with the Board on or before the fifteenth day of the month following that in which the surcharge is deducted from the emoluments of the person in receipt thereof.

Reliefs

48B. Notwithstanding the provisions of section 48A, where the total income for a year of income of a resident individual—

- (a) does not exceed \$12,000, no income tax surcharge shall be charged;
- (b) exceeds \$12,000 but does not exceed \$25,000, a sum of \$12,000 shall be deducted from the total income in computing the income tax surcharge;
- (c) exceeds \$25,000 but does not exceed \$37,000, the income tax surcharge shall be limited to \$650 plus 10 per cent of the total income in excess of \$25,000.”;
- (l) in section 50(8) by substituting for the words “and any unemployment levy” wherever they occur, the words “unemployment levy and national recovery impost”;
- (m) by inserting immediately after section 57 the following new section—

“Tax credits

57A. (1) An exporter who has paid consolidated special levy and is eligible for a tax credit under section 24(7) of the Finance Act, 1988, may claim in his return of income the tax credit computed in accordance with section 24(9) and (10) of that Act.

(2) If it is proved to the satisfaction of the Board that the amount of the tax credit claimed is properly due to the claimant in respect of the goods

exported during the period for which the return relates, the Board may set off the amount of the tax credit against the tax payable for the year of income for which the return is furnished.

(3) Where, in setting off the amount of the tax credit against the tax payable for any year of income, the amount of the tax credit exceeds the tax payable, the excess shall, subject to sections 90 and 92, be refunded.”;

(n) in section 76 by adding the following new subsections—

“ (6) Any person who fails, neglects or refuses to furnish a return of income for the year of income 1987 and subsequent years after six months from the time required to file the return, shall thereafter in addition to any other penalty provided in this Act, be liable to a penalty of one hundred dollars for every six months or part thereof during which such failure, neglect or refusal continues.

(7) Any person who has not furnished a return of income for any year of income preceding the year of income 1987 and fails, neglects or refuses to furnish any such return on or before 31st October, 1988 shall in addition to any other penalty provided in the Act, be liable to a penalty of one hundred dollars in respect of any such return for every six months or part thereof during which such failure, neglect or refusal continues.”;

(o) in section 79 by inserting immediately after subsection (3), the following new subsections—

“ (3A) Where the estimated chargeable income of any person for a year of income is likely to exceed or exceeds the chargeable income of the preceding year of income, the quarterly instalments by that

person shall be paid on the basis of the estimated chargeable income of the year of income.

(3B) Where a person to whom subsection (3A) applies had paid quarterly instalments which amount to less than eighty per cent of the tax liability disclosed in the return of the year of income, the difference between 80 per cent of the tax liability and the total amount paid by the end of the fourth quarter shall be subject to interest payable under section 103(2).”;

(p) in section 99(4)—

(i) by substituting for the words “ten per cent” occurring in line ten, the words “fifty per cent”; and

(ii) by substituting for the words “twelve per cent” occurring in line eleven, the words “fifteen per cent” and by deleting the words “if made within twelve months and thereafter at the rate of fifteen per cent a year” occurring in lines thirteen to fifteen;

(q) in section 103(2) by deleting the word “twelve” occurring in line ten and substituting the word “fifteen”;

(r) in section 121(1) by substituting for the words “three thousand dollars and to imprisonment for six months” occurring in lines three and four, the words “fifteen thousand dollars or to imprisonment for two years or both”;

(s) in section 125(1) by inserting immediately after the word “Act” occurring in line two, the words “or of any other Act which confers on the Board powers to administer any tax on income or profits similar to those conferred in this Act”;

(t) in section 130 by adding immediately after subsection (8) the following new subsection—

“ (9) This section does not apply to interest paid or credited to a resident individual.”;

(u) in section 134 by inserting the following new subsections—

“ (8) Where a motor vehicle or any equipment belonging to a company is made available to any of its directors or to any person employed by it in an employment to which sections 133 to 141 apply, and the motor vehicle or equipment is available for the private use of the director or employee, such private use shall be treated as a perquisite of the office or employment of the director or employee and included in the emoluments as defined in section 100 of the director or employee and is chargeable to income tax.

(9) The value per month of the perquisite referred to in subsection (8) is deemed to be one per cent of the cost of acquisition of the motor vehicle or equipment or $33\frac{1}{3}$ per cent of the monthly rental of the motor vehicle or equipment incurred by the company as the case may be.”;

(v) in the Third Schedule by substituting for Part I the following—

“ 1. The rates of tax payable on the chargeable income of a person other than a company shall be as follows—

<i>Chargeable Income</i>	<i>Rate of Tax</i>
(a) for every dollar of the first \$2,000	5 cents
(b) for every dollar of the next \$2,000	10 cents
(c) for every dollar of the next \$2,000	13 cents
(d) for every dollar of the next \$2,000	18 cents
(e) for every dollar of the next \$2,000	23 cents
(f) for every dollar of the next \$5,000	28 cents
(g) for every dollar of the next \$5,000	33 cents
(h) for every dollar of the next \$5,000	38 cents
(i) for every dollar of the next \$5,000	43 cents
(j) for every dollar of the next \$10,000	48 cents
(k) for every dollar thereafter	50 cents

2. Notwithstanding the rates of tax set out in paragraph 1, where the chargeable income of a person other than a company who is resident in Trinidad and Tobago—

- (a) does not exceed \$5,000, no tax shall be charged;
 - (b) exceeds \$5,000, but does not exceed \$5,500, the tax payable shall be limited to 49.5 per cent of the amount by which the chargeable income exceeds \$5,000;
 - (c) exceeds \$5,500 but does not exceed \$6,000, the tax payable shall be reduced by 50 per cent;
 - (d) exceeds \$6,000, but does not exceed \$7,000, the tax payable shall be limited to \$280 plus 31.2 per cent of the amount by which the chargeable income exceeds \$6,000;
 - (e) exceeds \$7,000, but does not exceed \$8,000, the tax payable shall be reduced by 20 per cent;
 - (f) exceeds \$8,000, but does not exceed \$8,500, the tax payable shall be limited to \$736 plus 59.8 per cent of the amount by which the chargeable income exceeds \$8,000.”; and
- (w) by substituting for paragraphs 1 and 2 of the Fourth Schedule the following—
- “1. The income of any person from any distribution made by a resident company in the year shall be taken to be one hundred and eighty-five per cent of the

distribution actually made, if the distribution was made by a company subject in that year to corporation tax or petroleum profits tax at forty-five per cent and one hundred and sixty-five per cent if the distribution was made by a company subject in that year to corporation tax at forty per cent.

2. Where such income is included in the chargeable income of such person there shall be set off for the purposes of collection against the tax payable by such person an amount equal to eighty-five per cent of the distribution actually made if the distribution was made by a company subject in that year to corporation tax or petroleum profits tax at forty-five per cent and sixty-five per cent if the distribution was made by a company subject in that year to corporation tax at forty per cent.”.

PART XII

CORPORATION TAX

Chap. 75:02
amended

15. The Corporation Tax Act is amended—

- (a) by inserting in its alphabetical sequence in section 2(1) the following definition—

“ “petroleum operations” has the meaning assigned to it by section 2(1) of
Chap. 75:04 the Petroleum Taxes Act;”;

- (b) by inserting immediately after section 3 the following new section—

“Business
levy

3A. (1) There shall be levied and paid to the Board corporation tax referred to as “business levy” on the chargeable profits of a company for each year of income at the rate of one and a half per cent.

Chap. 75:01 (2) The business levy shall be paid to the Board on or before 31st March, 30th June, 30th September and 31st December in each year of income and the provisions of section 79 of the Income Tax Act shall apply *mutatis mutandis* to this subsection.

(3) In addition to the exemptions provided for in section 6, this section shall not apply to—

- (a) companies owning or engaged in the operation of hotels in respect of the profits derived therefrom;
 - (b) public utilities owned by the State, the Development Finance Corporation, the Deposit Insurance Corporation and the Agricultural Development Bank; and
 - (c) profits from petroleum operations.”;
- (c) in section 7 by inserting immediately after subsection (6) the following new subsection—
- “ (7) Where a change in the shareholding of a company has taken place in a year of income, no loss incurred in any year preceding the year of income shall be carried forward and set off, as provided by section 16 of the Income Tax Act, against the profits of the year of income unless—
- (a) on the last day of the year of income the shares of the company carrying not less than 51 per cent of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than

51 per cent of the voting power on the last day of the year or years in which the loss was incurred; or

(b) the Board is satisfied that the change in the shareholding was not effected with a view to avoiding or reducing any liability to tax.”;

(d) in section 15 by substituting for the words “the provisions of sections 18B to 18E of the Income Tax Ordinance as renumbered”, the words “the provisions of sections 42 to 46 of the Income Tax Act”;

(e) by inserting immediately after section 16 the following new sections—

“Reliefs for
certain
companies

16A. (1) Subject to this section and sections 16B to 16G inclusive—

(a) an approved small company;

(b) an approved company carrying on business in a regional development area; and

(c) an approved activity company

are entitled to a tax credit equal to fifteen per cent of the chargeable profits of such company and the amount of tax payable shall be reduced by the amount of the credit.

(2) In the case of an approved company carrying on business in a regional development area and an approved activity company, the tax credit shall be granted for a period of five years, from 1st January in the year in which the certificate of approval is issued.

(3) A company that is desirous of being granted a benefit under this section may apply in writing to the Minister where it satisfies the criteria set out in this section and sections 16B and 16C.

(4) A company referred to in subsection (1) shall not qualify for the tax credit unless a certificate of approval to the effect that the company so qualifies is issued by the Minister.

(5) The Minister may, after consultation with the Industrial Development Corporation, issue a certificate of approval to a small company referred to in subsection (1) (a) where that company—

(a) is locally owned and controlled as defined in section 16(9);

(b) has machinery, equipment and working capital the value of which does not exceed five hundred thousand dollars;

(c) if incorporated on or after 8th January, 1988, is not the result of the splitting or the reconstruction of an existing company;

(d) does not have as a shareholder any other company holding shares either directly or indirectly through its nominees;

- (e) operates a system of accounts approved by the Industrial Development Corporation;
- (f) has potential for creating permanent jobs;
- (g) has at least five permanent employees; and
- (h) makes optimum use of locally produced raw materials.

Regional
development
company

16B. (1) In the case of a company carrying on a business in a regional development area, the Minister may, after consultation with the Industrial Development Corporation, issue a certificate of approval to that company where the company—

- (a) is incorporated in Trinidad and Tobago on or after 8th January, 1988 and is resident in Trinidad and Tobago;
- (b) is locally owned and controlled as defined in section 16(9) and no other company holds more than twenty-five per cent of the issued share capital either directly or indirectly through its nominees;
- (c) is not formed by the splitting or the reconstruction of a company already in existence;
- (d) carries out its operations in an area designated by the Minister to be a regional development area in accordance with subsection (3) and

produces manufactured goods or industrial services of which at least seventy-five per cent are produced in the regional development area;

- (e) holds at least seventy-five per cent of its fixed assets in the regional development area;
- (f) employs twenty or more workers of whom at least seventy-five per cent work in the regional area and receive more than sixty per cent of the company's total payment in respect of salaries and wages, such percentage to include the salary or wage of any worker who markets a product manufactured in a regional development area, outside of that area; and
- (g) operates a system of accounts approved by the Industrial Development Corporation.

(2) The Minister may designate an area to be a regional development area where the area is outside the boundaries of the municipalities of Port-of-Spain and San Fernando, and

- (a) is non-industrial; or
- (b) has a high level of unemployment.

(3) The Minister may by Notice publish a list of regional development areas.

Classifying
of approved
activity

16c. (1) The Minister may, after consultation with the Industrial Development Corporation, classify as an approved activity an activity capable of—

- (a) earning hard currencies, or effecting significant savings of foreign exchange;
- (b) creating a significant number of permanent jobs or offering prospects for future expansion;
- (c) stimulating technological development or developing new and modern industries; or
- (d) making efficient use of local raw materials,

and may by Notice publish a list of approved activities which in his opinion satisfy the criteria outlined in this subsection.

(2) The Minister may, after consultation with the Industrial Development Corporation, issue a certificate of approval to an approved activity company where that company—

- (a) is incorporated in Trinidad and Tobago on or after 8th January, 1988 and is resident only in Trinidad and Tobago;
- (b) is locally owned and controlled as defined in section 16(9) and no other company holds

more than twenty-five per cent of the issued share capital either directly or indirectly through its nominees;

(c) is not formed by the splitting or the reconstruction of a company already in existence;

(d) employs more than ten persons;

(e) is engaged in an activity classified as an approved activity under subsection (1) and the receipts from that activity exceed seventy-five per cent of the gross receipts in a year of income; and

(f) operates a system of accounts approved by the Industrial Development Corporation.

(3) Where the requirements of this section are not complied with, the Minister may nevertheless issue a certificate of approval under subsection (2) subject to such conditions as he considers necessary or expedient.

Registration
of companies

16D. Where a certificate of approval is issued to a company under section 16A, 16B or 16C, the Industrial Development Corporation shall register the company and issue to it a certificate of registration.

Cancellation
of
certificate

16E. (1) Where the Minister is of the opinion that any company to which section 16A(1) refers no longer meets the

requirements for approval, the Minister shall by notice in writing cancel that company's certificate of approval and notify the Industrial Development Corporation.

(2) Upon being notified by the Minister in accordance with subsection (1) the Industrial Development Corporation shall cancel that company's certificate of registration and notify the Board to that effect.

Claim for credit

16F. A company entitled to a tax credit under section 16A(1) shall not be granted a credit unless the relevant certificate of registration is attached to the return of income in which the claim for the tax credit is made.

Variation of rate of tax credit

16G. (1) The Minister with responsibility for Finance may by Order vary the rate of the tax credit.

(2) An Order made under this section shall have effect retroactively from the commencement of the year of income in which the Order was made.

Definitions

16H. For the purposes of sections 16A to 16E inclusive "Minister" means the member of the Cabinet to whom responsibility for Industry is assigned.";

- (f) in the Table to section 19 by inserting in its appropriate numerical sequence the words "Section 57A (tax credit-consolidated special levy)";

- (g) by substituting for the First Schedule the following—

“FIRST SCHEDULE

RATE OF CORPORATION TAX

For every dollar of the chargeable profits of a company—40 per cent save that—

1. Where the chargeable profits of a company include profits, derived from petroleum operations, which are subject to tax under the Corporation Tax Act, the rate of tax shall be forty-five per cent in respect of profits derived from such operations.

2. In the case of the long-term insurance business of an assurance company the rate of tax shall be 15 per cent, except that where profits of that business are transferred to the shareholder's account, a corresponding amount of the profits of the accounting period ending in the year of income in which the transfer was made shall be treated as chargeable at the rate of forty per cent, and where there is an insufficiency of such profits of that accounting period the amount by which the profits so transferred exceeds the profits of such period shall be deemed to be profits of that period after making allowance for any tax previously paid.”;

- (h) by substituting for the Fifth Schedule the following—

“FIFTH SCHEDULE

TAX EXEMPTIONS FOR APPROVED MORTGAGE COMPANIES AND OTHER COMPANIES

1. (1) Notwithstanding the provisions of Part I of this Act but subject to subparagraph (2), there shall be exempt from corporation tax any income or profits of a company derived from the business to which section 42(2)(b) to (e) of the Income Tax Act relates.

Chap. 75:01

(2) For the purposes of subparagraph (1), the Minister may, by instrument in writing declare a company to be an approved mortgage company, where that company has entered into an agreement with the Government whereby the company agrees to finance by way of mortgage the purchase of newly constructed houses in accordance with the provisions of this Schedule and the Housing Act, and under the terms of the agreement.

Chap. 33:01

(3) Notwithstanding the provisions of paragraphs 1(1), 2, and 4(1) that relate to the taxes with respect to which the profits of an approved mortgage company or the shareholders or the debenture holders of an approved mortgage company are exempt, the terms of the agreement mentioned in subparagraph (2) may limit the taxes from which an approved mortgage company or the shareholders or the debenture holders in the approved mortgage company are exempt.

2. An approved mortgage company that is exempt from corporation tax under paragraph 1(1) may, within a period commencing on the date of the mortgage and ending two years after the date on which the repayment of the principal sum borrowed is completed, where the income is in respect of interest and service charge exempt from tax under section 42(2)(d) of the Income Tax Act, distribute sums not exceeding the exempt interest and service charge to the members of the company and these sums when so distributed are exempt from income or corporation tax in the hands of the members of the company.

Ch. 31. No. 1

3. (1) In this paragraph, "company" means a company limited by shares within the meaning of the Companies Ordinance.

(2) A company that is in receipt of income or profits that are exempt from corporation tax under section 42(2)(b), (c) or (e) of the Income Tax Act may—

- (a) within twelve years after the date of completion of construction of the newly constructed house, if the premiums and rents would be exempt from corporation tax under the said section 42(2)(b);
- (b) within two years after the date of sale of the newly constructed house, if the gains or profits would be exempt from corporation tax under the said section 42(2)(c); or
- (c) within a period commencing on the date of the mortgage and ending two years after the date on which the repayment of the principal sum borrowed is completed, if the interest and service charge would be exempt from corporation tax under the said section 42(2)(e),

distribute sums not exceeding in the aggregate the exempt income or profits to the members of the company and those sums when so distributed are exempt from income or corporation tax in the hands of the members of the company.

(3) This paragraph and paragraphs 2 and 4 apply only where the company or approved mortgage company keeps and submits annually separate accounts to the satisfaction of the Board showing—

- (a) the income or profits of the company from the sources specified in section 42(2)(b), (c), (d) or (e) of the Income Tax Act;
- (b) all expenses and outgoings wholly and exclusively incurred in the production of the income or profits from each such source;
- (c) the debenture holders account mentioned in paragraph 4(3); and
- (d) such other information as the Board may require.

4. (1) Where the income of an approved mortgage company is exempt from corporation tax under paragraph 1(1), any interest payable by the approved mortgage company on debenture borrowings by the approved mortgage company for the purpose of financing the purchase of newly constructed houses, is, subject to subparagraphs (2) and (3), exempt from income or corporation tax in the hands of the debenture holders of the approved mortgage company, if the interest so paid is derived from income of the approved mortgage company exempt under paragraph 1(1).

(2) The period during which the interest paid to debenture holders is exempt from tax under subparagraph (1) is a period commencing on the date when the principal sums are paid for the debentures and ending two years after the date on which the principal sums secured by the debentures are deemed repaid under subparagraph (3).

(3) For the purposes of subparagraphs (1) and (2) any sum repaid to an approved mortgage company by the mortgagors who entered into mortgages after the issue of those debentures shall, after deduction of any interest paid on those debentures, be debited against the debenture holders account until the sums so repaid to the approved mortgage company equal the principal sum secured by the debentures and thereafter the debentures shall be deemed to have been repaid.

(4) Notwithstanding the provisions of this paragraph that relate to the period during which the interest paid to debenture holders is exempt from tax, the Minister may, if he thinks fit, in the instrument mentioned in paragraph 1(2), make other provisions with respect to that period, and those provisions when so made apply to the approved mortgage company.

5. For the purpose of claiming the exemption granted in accordance with section 42 of the Income Tax Act, an approved mortgage company and a company within the meaning of paragraph 3, may apply to the Minister for a certificate in the form prescribed under section 46 of the Income Tax Act.

6. In this Schedule "Minister" means the Minister responsible for Housing."

PART XIII

UNEMPLOYMENT LEVY

Chap. 75:03
amended

16. The Unemployment Levy Act is amended—

- (a) by inserting immediately after section 5 the following new section—

“Exception

5A. The provisions of this Act do not apply to individuals.”; and

- (b) by substituting for the words “twelve per cent” occurring in line five of section 9(5), the words “fifteen per cent”.

PART XIV

PETROLEUM TAXES

Chap. 75:04
amended

17. The Petroleum Taxes Act is amended by inserting immediately after section 12 the following new section—

“Anti-
avoidance

12A. Where a change in the shareholding of a company has taken place in a year of income, no loss incurred in any year preceding the year of income shall be carried forward and set off, as provided by section 16 of the Income Tax Act, against the profits of the year of income unless—

- (a) on the last day of the year of income the shares of the company carrying not less than 51 per cent of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than 51 per cent of the voting power on the last day of the year or years in which the loss was incurred; or
- (b) the Board is satisfied that the change in the shareholding was not effected with a view to avoiding or reducing any liability to tax.”.

PART XV

STAMP DUTY

18. The Stamp Duty Act is amended—

Chap. 76:01
amended

- (a) in the First Schedule, under the heading “Customs entries in respect of imported goods”, by substituting for the words “6 per cent” and “12 per cent” the words “10 per cent” and “20 per cent” respectively; and
- (b) in the Second Schedule by substituting for items 19 and 22 the following new items—
- “19. Beef (including beef offals)
22. Pork (including pork offals)—salted or in brine”.

PART XVI

PURCHASE, SWEEPSTAKE, DEPARTURE AND
AIRLINE TICKET TAXES

19. (1) The Purchase, Sweepstake, Departure and Airline Ticket Taxes Act is amended in the First Schedule—

Chap. 77:01
amended

- (a) by substituting for the words appearing in the second column as follows—
- (i) for the word “15”, the word “20”;
- (ii) for the word “35”, the word “40”;
- (iii) for the word “55”, the word “60”;
- and
- (iv) for the word “80”, the word “85”;
- (b) in Part I, by substituting for items 1.24.01 and 1.24.02 the following—

Item	“First Column		Second Column	
	<i>Chargeable Goods</i>		<i>Rates of Purchase Tax per cent</i>	
1.24.01	Cigars, cheroots and snuff	... ..	\$1.00 per oz.	
1.24.02	Locally manufactured cigarettes:			
	(a) where the wholesale value does not exceed \$1.98 per pack of 20	... ..	66 cents per pack of 20 and so in proportion when not so packed	
	(b) where the wholesale value exceeds \$1.98 per pack of 20	... ..	83 cents per pack of 20 and so in proportion when not so packed”;	

(c) in Part II, by substituting for items 11.24.01, 11.24.02 and 11.24.03 the following—

		"First Column		Second Column	
<i>Item</i>		<i>Chargeable Goods</i>		<i>Rates of Purchase Tax per cent</i>	
11.24.01	Cigars, cheroots and snuff	...	...	...	\$1.10 per oz.
11.24.02	Cigarettes	...	...	...	83 cents per pack of 20 and so in proportion when not so packed
11.24.03	Tobacco (smoking and chewing)	...	...	...	\$1.10 per oz."; and

(d) under the heading "GOODS NOT CHARGEABLE WITH PURCHASE TAX"—

(i) by substituting for paragraph (c) the following—

"(c) Household effects, admitted as such by the Comptroller, which accompany a passenger and are for his personal use and not for sale or exchange and are declared to have been in the use and possession of the passenger for at least one year."; and

(ii) by renumbering paragraphs (d) and (e) as (f) and (g), and by inserting the following new paragraphs—

"(d) Household effects, admitted as such by the Comptroller, not exceeding a c.i.f. value of \$25,000, which accompany a citizen of Trinidad and Tobago returning to reside in Trinidad and Tobago who has resided abroad continuously for at least five years immediately prior to his return, and which are for his personal use and not for sale or exchange.

- (e) Baggage and household effects, imported within two months before or after the arrival of a passenger, or within such further period as the Comptroller of Customs and Excise shall in the circumstances deem reasonable, provided that the articles would have been exempted from purchase tax under paragraphs (a), (c) or (d).”.
- (2) With effect from 20th November, 1987, the Purchase, Sweepstake, Departure and Airline Ticket Taxes Order, 1987 is amended by substituting for the word “10” wherever it occurs, the word “15”.

L. N. No. 218
of 1987 amended

PART XVII

CUSTOMS DUTY

20. The Customs Act is amended—

Chap. 78:01
amended

(a) by inserting immediately after section 56 the following new section—

“Licences for conditional reduced rates of duty

Fourth Schedule

56A. The Minister responsible for Industry may on application made to him in writing in his discretion issue to any person a licence entitling him to the benefit of the conditional reduced rates of duty specified in the Fourth Schedule in respect of any class of goods specified in that Schedule and any such licence shall specify the period during which and the conditions subject to which the licensee shall be entitled to such benefits.”;

(b) in the First Schedule by substituting for the items referred to in column 1, the items as set out in column 2—

Column 1		Column 2		
Tariff Heading Number		Description of Goods	Rate of Duty	Units for Statistical Classification
02.01.11	02.01.11	Of Bovine animals	30%	kg
07.01.32	07.01.32	Onions	30%	kg
12.01.11	12.01.11	Shelled	40%	kg
12.01.12	12.01.12	Unshelled	40%	kg;

(c) in the Second Schedule—

- (i) in item 3 by renumbering sub-items (c) to (f) as (d) to (g) and by inserting the following new sub-item—

“(c) Household effects, admitted as such by the Comptroller, not exceeding a c.i.f. value of \$25,000, which accompany a citizen of Trinidad and Tobago returning to reside in Trinidad and Tobago who has resided abroad continuously for at least five years immediately prior to his return and which are for his personal use and not for sale or exchange.”;

- (ii) in sub-item (d) as renumbered by substituting for the words “(a) or (b)” the words “(a) to (c)”;

- (iii) in item 37 by inserting immediately after sub-item (m) the following new sub-item—

“(n) Beef.”; and

- (d) in the Fourth Schedule by substituting for the words “section 56” occurring in the heading, the words “section 56A”.

PART XVIII

SPECIAL TAX

Special tax

21. (1) A citizen of Trinidad and Tobago returning to reside in Trinidad and Tobago who has resided abroad continuously for at least five years immediately prior to his return shall pay a special tax of ten per cent on that portion of the c.i.f. value of his household effects which does not exceed twenty-five thousand dollars where—

- (a) the household effects accompany the citizen or are brought into Trinidad and Tobago within two months before or after his return, or within such further period as the Comptroller of Customs and Excise (hereinafter referred to as "the Comptroller") shall in the circumstances deem reasonable;
- (b) the household effects are admitted as such by the Comptroller; and
- (c) the household effects are for the personal use of the citizen and not for sale or exchange and are declared to have been owned by him for less than one year.

(2) The special tax shall be collected by the Comptroller when the household effects are entered, within the meaning of the Customs Act, and shall be paid into the Consolidated Fund. Chap. 78:01

(3) The Comptroller may do all such acts as he may deem necessary or expedient for collecting, receiving and accounting for the special tax in like manner as he is authorised to do in relation to duty under the Customs Act.

PART XIX

INDUSTRIAL DEVELOPMENT CORPORATION

22. The Industrial Development Corporation Act is amended in section 4(2), by including immediately after the word "behalf" occurring in line four of paragraph (c), the words "and to keep such registers or issue such certificates as may be required by this Act or any other written law". Chap. 85:50
amended

PART XX

HEALTH SURCHARGE AND NATIONAL RECOVERY IMPOST

23. The Finance Act, 1987 is amended—

- (a) in section 4(2) by substituting for the words "twelve per cent" occurring in line five, the words "fifteen per cent" and by deleting all the words after the words "date of payment" occurring in line seven;

Act No. 14
of 1987 amended

(b) in section 5(2)—

- (i) by substituting for the words “ten per cent” occurring in line five, the words “fifty per cent”; and
 - (ii) by substituting for the words “twelve per cent” occurring in line six, the words “fifteen per cent” and by deleting all the words after the word “payment” occurring in line nine;
- (c) by deleting paragraph (a) of section 16;
- (d) in section 18(5) by substituting for the word “twelve” occurring in line six, the word “fifteen”; and
- (e) by inserting immediately after section 24 the following new section—

“Exemptions

24A. The provisions of this Part do not apply to individuals.”.

PART XXI

CONSOLIDATED SPECIAL LEVY

Consolidated
special levy

24. (1) There shall be charged a consolidated special levy (hereinafter referred to as “the levy”) on the c.i.f. value of goods—

Chap. 78:01

- (a) imported under section 56(3) or 56A of the Customs Act, at the following rates—
 - (i) goods which qualify for entry without payment of customs duty— $12\frac{1}{2}$ per cent levy;
 - (ii) goods which qualify for entry at a conditional reduced 5 per cent rate of customs duty— $7\frac{1}{2}$ per cent levy;
 - (iii) goods which qualify for entry at a conditional reduced 10 per cent rate of duty— $2\frac{1}{2}$ per cent levy; and
- (b) imported under item 8 of the Second Schedule to the Customs Act— $12\frac{1}{2}$ per cent levy.

(2) The levy shall be paid to the Comptroller of Customs and Excise at the time the goods are entered, within the meaning of the Customs Act, who shall pay it into the Consolidated Fund.

(3) The following goods shall be exempt from this levy—

(a) goods exempt from the payment of customs duty under section 56(3) of the Customs Act which are imported by or for the use of a company engaged in offshore petroleum explorations or production operations where the goods are to be used in such explorations or operations by that company;

(b) goods exempt from the payment of customs duty under section 56(3) of the Customs Act which are imported by or for the use of a company or an individual engaged in the production of garments; and

(c) goods listed as items (a) to (h) inclusive in the First Schedule to the Stamp Duty Act under the heading "Exemptions". Chap. 76:01

(4) For the purposes of this section "garments" means the items listed in the Purchase, Sweepstake, Departure and Airline Ticket Taxes Order, 1987. L.N. No. 218
of 1987

(5) The Minister responsible for Industry may on application made to him in writing in his discretion issue to any person a certificate entitling such person to the benefit of an exemption from the levy which exemption may be complete or partial and the certificate shall specify the extent of the exemption, the period during which and the conditions subject to which the holder of the certificate shall be entitled to such benefits.

(6) The Minister may, wherever he considers it expedient to do so, remit or refund the levy in whole or in part.

(7) Where a person pays the levy of a greater value than was necessary, the Comptroller of Customs and Excise may, on application made within two years after the levy was paid, refund the excess levy paid.

(8) Subject to subsection (9), an exporter who has paid levy under this section on raw material or intermediate goods used by him in the manufacture or production of goods which have been exported shall be eligible for a tax credit in respect of such exports which tax credit shall be claimed against his income tax or corporation tax liability in the return of income filed with the Board of Inland Revenue for a year of income.

(9) No exporter shall be granted a tax credit unless at the time the tax credit is claimed he is registered with the Trinidad and Tobago Development Corporation, established under the Trinidad and Tobago Export Development Corporation Act.

Act No. 2 of 1984

(10) The tax credit shall be based on the following formula—

$$\frac{\text{Total units of exports}}{\text{Total units of production}} \times \text{Applicable levy paid.}$$

(11) In computing the applicable levy paid for the purposes of the formula in subsection (10) the following rules apply—

- (a) the imported inputs of raw material or semi-manufactured goods have been used directly in the manufacture of the finished product;
- (b) the value of the imported input shall be measured at the lowest c.i.f. value within the period for which the claim is made;
- (c) imported inputs shall include packing and packaging material; and
- (d) the total units of exports shall form part of the total units of production for the period in respect of which the claim is made.

(12) This section shall come into operation on the 1st day of July, 1988.

PART XXII

CENTRAL TENDERS

25. The Central Tenders Board Ordinance is amended by inserting immediately after section 23 the following new section—

Ordinance No. 22
of 1961 amended

"Tax
Clearance
Certificate
fee

23A. The Board shall not accept any tender unless it is accompanied by a Tax Clearance Certificate obtained from the Board of Inland Revenue."

PART XXIII

INCOME TAX MISCELLANEOUS CLEARANCE

26. The Income Tax (Exit Clearance) Regulations are amended—

Income Tax Exit
Clearance)
Regulations
amended

- (a) in regulation 1 by substituting for the words "(Exit Clearance)" the words "(Miscellaneous Clearance)";
- (b) in regulation 2 by inserting immediately after the definition of "Board" the following new definition—
 - " "Clearance Certificate" means a certificate in the form set out as Form C in the Schedule issued by or on behalf of the Board;";
- (c) by inserting immediately after regulation 3(3) the following—
 - " (4) A person who applies for a Clearance Certificate shall pay a fee of one hundred dollars in respect of the application.";
- (d) in regulation 4—
 - (i) by inserting immediately after the words "Exit Certificate" wherever they occur, the words "or a Clearance Certificate"; and
 - (ii) by inserting immediately after the words "income tax" wherever they occur, the words "or any other tax on income or profits administered by the Board";

- (e) in regulation 10 by inserting immediately after the words "Exit Certificate" the words "or a Clearance Certificate"; and
- (f) in the Schedule by inserting immediately after Form B the following new form—

"FORM C

The Income Tax Regulations Clearance Certificate

This Certificate is issued to.....

of

(Private Address/Registered Office)

.....
who/which has complied with the requirements of the law in relation to the taxes on income or profits administered by the Board and has satisfied all assessed liability to the date hereof/has made satisfactory arrangements for the payment of the taxes due.

This Certificate is valid until.....".

PART XXIV

VALIDATIONS

Validation of
charges for
certain vehicle
licences

Chap. 48:50

27. (1) Where before the passing of this Act a payment was required or received by the Licensing Authority as being money payable in respect of the grant of a licence under the Motor Vehicles and Road Traffic Act and such payment was not one which the Licensing Authority was authorised to require or receive, that payment is deemed to have been lawfully required and received by the Licensing Authority under that Act.

(2) No legal proceeding or other action of any kind shall be entertained in respect of or in consequence of such payment as is referred to in subsection (1).

Amendment and
validation
L.N. No. 8 of 1988
L.N. No. 11 of 1988
L.N. No. 29 of 1988

28. (1) The Customs (Import Duty) (Caribbean Common Market) Order, 1988 is deemed to be valid and of full effect.

(2) With effect from 1st March, 1988, the Excise Duty (Petroleum Products) Order, 1988 and the Customs (Import Duty) (Caribbean Common Market) Order, 1988 are amended by substituting for the words "Lube oil...25 cents per litre" occurring in each Order, the words "Lube oil: ...5.5 cents per litre".

(3) With effect from 1st March, 1988, the Excise Duty (Petroleum Products) (No. 2) Order, 1988 is amended by substituting for the words "Lube oil...25 cents per litre", the words "Lube oil...5.5 cents per litre".

(4) Notwithstanding any rule of law to the contrary, it is declared that all acts and things purported to be done or omitted to be done by any authorised person or agency under or in pursuance of the powers conferred by the Excise Duty (Petroleum Products) Order, 1988, the Customs (Import Duty) (Caribbean Common Market) Order, 1988, the Excise Duty (Petroleum Products) (No. 2) Order, 1988 are deemed to have been lawfully and validly done or omitted to be done and no legal proceedings or other action of any kind shall be entertained in respect of or in consequence of such acts and things.

29. (1) Where before the passing of this Act goods listed in the Fourth Schedule to the Customs Act were imported at conditional reduced rates of duty under section 56 of that Act and the importation of such goods at such rates of duty was not authorised under that section, such importation at such rates is deemed to have been validly authorised under that section.

Validation of
conditional reduced
rates of duty
Chap. 78:01

(2) No legal proceedings or other action of any kind shall be entertained in respect of or in consequence of such importation as is referred to in subsection (1).

PART XXV

COMMENCEMENT

30. (1) Subject to this section and unless the contrary intention appears, this Act comes into operation on the date of its enactment.

Commencement

(2) Section 14(1) is deemed to have come into operation on 1st January, 1987.

(3) The following provisions are deemed to have come into operation on 1st January, 1988—

- (a) Part XI except section 14(b), (h), (l), (p), (q), (r) and (t);
- (b) Part XII;
- (c) Part XIII except section 16(b);
- (d) Parts XIV and XIX; and
- (e) Part XX except section 23(a), (b) and (d).

(4) The following provisions are deemed to have come into operation on 8th January, 1988—

- (a) Parts I to X inclusive;
- (b) section 14(b), (h), (p), (q), (r) and (t);
- (c) section 16(b);
- (d) Parts XV, XVI except section 19(2) and XVII;
- (e) section 23(a) and (b); and
- (f) Parts XXII and XXIII.

Passed in the House of Representatives this 22nd day of April, 1988.

J. E. CARTER

Clerk of the House

Passed in the Senate this 3rd day of May, 1988.

Z. SEEREERAM

Acting Clerk of the Senate