

LEGAL NOTICE NO. 249

REPUBLIC OF TRINIDAD AND TOBAGO

THE PROVISIONAL COLLECTION OF TAXES ACT, CHAP. 74:01

ORDER

MADE BY THE PRESIDENT UNDER SECTION 3 OF THE
PROVISIONAL COLLECTION OF TAXES ACT

THE PROVISIONAL COLLECTION OF TAXES ORDER, 2005

1. This Order may be cited as the Provisional Collection of Taxes Citation
Order, 2005.

2. The Income Tax Act is amended—

Chap. 75:01
amended

(a) in section 8(1)—

- (i) by repealing paragraph (fa);
- (ii) in paragraph (k), by deleting the words “twenty-five thousand” and substituting the words “sixty thousand”;
- (iii) by deleting paragraph (t) and substituting the following new paragraph:

“(t) annuity or other periodic sum payable under an immediate annuity purchased on or after 1st January, 2006 by an individual who is a resident of Trinidad and Tobago;”;

(b) in section 10, by repealing subsections (3) to (11);

(c) in section 11—

- (i) in subsection (1), by repealing paragraphs (k) and (l);
- (ii) by deleting subsection (3) and substituting the following new subsection:

“ (3) In computing the amount to be allowed under subsection (1)(b) in respect of a private motor car purchased prior to 1st January, 2006 the cost of which exceeds one hundred thousand dollars, the value against which the amount is computed shall be deemed to be one hundred thousand dollars.”; and

- (iii) in subsection (5) by deleting the words “subsection (3)(a) or (b)” and substituting the words “subsection (3)”;
- (d) in section 11A(2A), by deleting paragraph (h);
- (e) by repealing section 13A;
- (f) in section 18—
 - (i) by deleting subsection (1) and substituting the following subsection:
 - “ (1) A person to whom section 17 applies shall be entitled to a personal allowance of sixty thousand dollars.”;
 - (ii) in subsection (2), by deleting the words “forty thousand dollars” and substituting the words “sixty thousand dollars”;
- (g) in section 18A by inserting after subsection (5) the following subsection:
 - “ (6) This section shall not apply to individuals who acquired by way of purchase or construction a house prior to 1st January, 2006.”;
- (h) by repealing section 18B;
- (i) in section 20, by repealing subsection (3);
- (j) in section 28—
 - (i) in subsection (1) by deleting paragraphs (ga), (q) and (r);
 - (ii) in subsection (5)—
 - (A) in paragraph (a)(i) by deleting subparagraphs (C) and (D); and
 - (B) by deleting paragraph (e);
 - (iii) in subsection (7)(b), by deleting the words “sixty-five dollars” and substituting the words “five hundred dollars”;
 - (iv) by deleting subsection (9) and substituting the following new subsection:
 - “ (9) All amounts received by a person in a year of income as a benefit under an approved pension fund plan or an approved deferred annuity plan shall be deemed to be the income of that person, except amounts received by way of a lump sum equivalent to the capitalised value of twenty-five per cent of the annual pension or annuity at the date of retirement or maturity.”;

- (v) by deleting subsections (9A), (9B) and (9C);
- (vi) in subsection (10), by deleting the words “ten per cent” and substituting the words “twenty-five per cent”;
- (vii) by inserting after subsection (14), the following new subsections:
 - “ (14A) A trustee or trust corporation managing an approved pension fund or deferred annuity plan may at the request of an employee or annuitant, transfer the contributions of premiums of such employee or annuitant to another approved pension fund or deferred annuity plan and the employee or annuitant shall not be liable to tax.
 - (14B) The amount transferred under subsection (14A) shall be deemed not to have been a payment of a benefit before retirement or maturity.”;
- (k) by deleting section 29A;
- (l) in section 35, by deleting subsections (7) and (8) and substituting the following:
 - “ (7) Where shares are transferred in a year of income pursuant to subsection (6)(a), the market value of the shares at the date of transfer shall be deemed to be the income accrued to the beneficial owner of the shares on that date and the full amount of such income shall form part of the income of the individual for that year.”;
- (m) in section 42(2), by deleting paragraphs (d) and (e);
- (n) in section 134(6B)(a), by deleting the words “one third part of the chargeable” and substituting the words “twenty per cent of the emolument”;
- (o) by inserting after section 134(6D), the following new subsections:
 - “ 134(6E) Where a company provides a loan to a director or an employee, the value of perquisite to the director or employee shall be the difference between the interest rate charged by the company and a commercial rate of interest determined by the Board of Inland Revenue on the advice of the Central Bank.

134(6F) Where a loan referred to in subsection (6E) is written-off, the outstanding balance on the loan shall be treated as a perquisite of the director or employee.”;

(p) in section 134—

(i) in subsection (9) by deleting the words “the value” and substituting the words “With respect to motor vehicles purchased prior to 1st January, 2006 the value”; and

(ii) by inserting after subsection (9) the following new subsections:

“ (10) With respect to motor vehicles acquired on or after 1st January, 2006 the value per month of the perquisite referred to in subsection (8) is deemed to be fifty per cent of—

(a) the wear and tear of the motor vehicle;
or

(b) the rental value of the motor vehicle for the period of use.

(11) With respect to equipment acquired on or after 1st January, 2006 the value per month of the perquisite referred to in subsection (8) is deemed to be—

(a) one per cent of the cost of the equipment; or

(b) thirty-three and one-third per cent of the rental value of the equipment for the period of use.

(12) For the purposes of subsections (9) and (10), “motor vehicle” has the same meaning assigned to it in section 2 of the Motor Vehicles and Road Traffic Act.”;

(q) in section 135 by deleting subsection (3) and substituting the following new subsection:

“ (3) Where in a year of income a company acquires property, the whole or part of which is made available as living or other accommodation for any of its directors or employees and the property is not used solely in the performance of the duties of the directors or employees, the provisions of section 133 shall have effect as if the company paid an amount equal to the fair rental value in respect of such property.”;

- (*r*) in Part I of the Third Schedule, by deleting paragraph 1 and substituting the following new paragraph:

“ The rate of tax payable on the chargeable income of a person other than a Company shall be twenty-five cents for every dollar.”; and

- (*s*) by repealing the Eighth Schedule and Ninth Schedule.

3. The Corporation Tax Act is amended—

Chap. 75:02
amended

- (*a*) in section 3A(2), by deleting paragraph (*g*);
- (*b*) in section 6(1), by deleting paragraphs (*c*), (*ka*), (*s*) and (*t*);
- (*c*) by repealing sections 10C and 10E;
- (*d*) in sections 10G, 10I, 10J, 10K, by deleting the words “an allowance of one hundred and fifty per cent of” wherever they occur;
- (*e*) in section 10L(1) by deleting the word “allowance” and substituting the word “deduction”;
- (*f*) by repealing section 16;
- (*g*) in section 16A—
 - (i) by deleting subsection (1) and substituting the following subsection:
 - “ (1) Subject to sections 16B to 16E—
 - (*a*) an approved small company;
 - (*b*) an approved company carrying on business in a regional development area; and
 - (*c*) an approved activity company,shall be exempt from the payment of corporation tax for a period of five years commencing 1st January, 2006.”; and
 - (ii) by repealing subsections (2) and (4);
- (*h*) by repealing sections 16F and 16G;
- (*i*) in section 19 by deleting in the Table entitled “Income Tax Provisions applied to Corporation Tax”, the words “Section 13A (Deduction for investment in approved hotel or tourism development project)”;
- (*j*) in the First Schedule by deleting the words “thirty per cent” in paragraph 1 and substituting the words “twenty-five per cent”; and
- (*k*) in the Fifth Schedule, in item 1(1) by deleting the words “section 42(2)(*b*) to (*e*)” and substituting therefor the words “section 42(2)(*b*) and (*c*)”.

Part X of
Chap. 77:01
repealed

4. Part X of the Miscellaneous Taxes Act is repealed.

Chap. 78:01
amended

5. The Customs Act is amended in the First Schedule as follows:

FIRST COLUMN <i>Heading Number</i>	SECOND COLUMN <i>Description of Goods</i>	THIRD COLUMN <i>Rate of Duty</i>
0202.10.00	Meat of bovine animals, frozen: Carcasses and half carcasses	10%
0203.21.00	Meat of swine, frozen: Carcasses and half carcasses	30%
0204.30.00	Carcasses and half carcasses of lamb, frozen	10%
0204.50.00	Meat of goats	10%
0305.51.00	Cod (<i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i>)	0%
0402.91.00	Milk and cream, not containing added sugar or other sweetening matter	15%
0402.99.00	Condensed Milk	15%

No. 19
of 1988
amended

6. The Trinidad and Tobago Free Zones Act is amended in section 33 by inserting after subsection (5), the following new subsections:

“ (6) Subject to subsection (7), with effect from 1st January, 2006, the exemptions set out in subsections (1) to (3) respecting corporation tax shall not apply to an approved enterprise.

(7) Nothing in this section shall be construed as removing the exemptions enjoyed by approved enterprises prior to 1st January, 2006.”.

Act No. 9 of
2000 amended

7. Section 38 of the Tourism Development Act is repealed.

Commence-
ment

8. The paragraphs listed in the First Column shall come into effect on the dates set out in the Second Column:

FIRST COLUMN	SECOND COLUMN
2(j)(vi) and 4	1st October, 2005
2(a) to (i)	1st January, 2006
2(j)(i) to (v)	do.
2(j)(vii)	do.
2(k) to (s)	do.
3	do.
6	do.
7	do.

Dated this 28th day of September, 2005.

A. LEUNG WOO-GABRIEL
Secretary to Cabinet