

No.19—1925.

I ASSENT,

[L.S.]

H. A. BYATT,
Governor.

14th May, 1925.

AN ORDINANCE to amend the Income Tax
Ordinance, 1923.

[1st January, 1925.]

BE it enacted by the Governor of Trinidad and Tobago with the advice and consent of the Legislative Council thereof as follows :—

1. This Ordinance may be cited as the Income Tax Short title.
(Amendment) Ordinance, 1925, and shall be read as one Construction.
with the Income Tax Ordinance, 1923, hereinafter called (0-1925)
the Principal Ordinance.

2. The following shall be substituted for paragraph (i) of Exception.
section 8 of the Principal Ordinance :—

- (i) the income of the Government Savings Bank, the Trinidad Co-operative Bank, Limited, and any other institution established for the encouragement of thrift which the Governor in Executive Council may declare to be exempt.

[Price 2d.]

Deductions
allowed.

3.—(1) Paragraph (a) of section 10 (1) of the Principal Ordinance is hereby amended by the substitution of the word "paid" for the word "payable" in the first and fourth lines thereof.

(2) The following shall be substituted for paragraph (e) of section 10 (1) of the Principal Ordinance:—

(e) bad debts incurred in any trade, business, profession or vocation, proved to the satisfaction of the Commissioner to have become bad during the year immediately preceding the year of assessment, and doubtful debts to the extent that they are respectively estimated to the satisfaction of the Commissioner to have become bad during the said year notwithstanding that such bad or doubtful debts were due and payable prior to the commencement of the said year, provided that all sums recovered during the said year on account of amounts previously written off or allowed in respect of bad or doubtful debts shall for the purposes of this Ordinance be treated as receipts of the trade, business, profession or vocation for that year.

Allowance for
wear and tear.

4. Section 11 of the Principal Ordinance is hereby repealed, and in lieu thereof shall be read the following:—

11. In ascertaining the chargeable income of any person engaged in a trade, business, profession or vocation, there shall be allowed as a deduction a reasonable amount for the exhaustion by wear and tear of any plant and machinery, and any buildings used exclusively for housing such plant and machinery, owned by him, arising out of the use or employment of such plant or machinery in the trade, business, profession or vocation during the year immediately preceding the year of assessment.

OBJECTS AND REASONS.

The existing Asphalt Duty Ordinance (No. 206) provides for export duty on *crude, liquid and soiled* asphalt, but does not provide for a duty on *dried* asphalt. For many years past an export duty of 6/11 per ton has been paid on dried asphalt, and payment of duty at the same rate on dried asphalt is provided for in the new lease of the Pitch Lake dated the 19th February, 1925.

This Bill provides for the repeal and re-enactment of Ordinance No. 206, with the addition of a provision for a duty of 6/11 per ton on dried asphalt.

Section 3 of Ordinance 206 is not reproduced in the Bill, and section 4 is split into two sections.

Section 6 of the Bill provides that the Ordinance shall be deemed to have come into operation on the 19th February, 1925, that is to say on the date of the new lease.

5. The following shall be inserted as sub-section (3) of *Shipowners* section 15 of the Principal Ordinance :—

(3)—(a) In the case of a shipowner, the gains or profits of his business as shipowner, shall, if he produces or causes to be produced to the Commissioner the certificate mentioned in paragraph (b) of this sub-section, be taken to be a sum bearing the same ratio to the sums payable in respect of fares or freight for passengers, goods or mails shipped in the Colony as his total profits for the relevant accounting period shown by that certificate bear to the gross earnings for that period.

(b) The certificate shall be a certificate by the Taxing Authority of the place in which the principal place of business of the shipowner is situated and shall state :—

(i) that the shipowner has furnished to the satisfaction of that Authority account of the whole of his business ; and

(ii) the ratio of the gains or profits for the relevant accounting period as computed according to the Income Tax law of that place (after deducting interest on any money borrowed and employed in acquiring the gains and profits) to the gross earnings of the shipowner's fleet or vessel for that period.

(c) If the gains or profits of a shipowner have, for the purpose of assessment in the Colony under this Ordinance, been computed on any basis other than the ratio of the gains or profits shown by a certificate as aforesaid, and an assessment has been made accordingly, the shipowner shall, upon production of such a certificate at any time within two years from the end of the year of assessment, be

entitled to such adjustment as may be necessary to give effect to the said certificate and to have any tax paid in excess refunded.

(d) In this sub-section the expression "shipowner" means an owner or charterer of ships whose principal place of business is situated outside the Colony, but in a part of His Majesty's Dominions or in territory under His Majesty's protection.

Returns to be
verified by
statutory
declaration or
affidavit.

(23 1908)

6. Section 32 of the Principal Ordinance is hereby repealed, and in lieu thereof shall be read the following:—

32.—(1) Every return under this Ordinance shall be verified by a statutory declaration under the Statutory Declarations Ordinance, 1908, or, in case of absence from the Colony, by an affidavit, made by the person making such return. No fee shall be payable on any statutory declaration made under this section.

(2) Any person who refuses, fails, or neglects to make a statutory declaration or affidavit as required by this section shall be guilty of an offence against this Ordinance.

Attendance of
persons before
Commissioner.

7. Sub-section (3) of section 45 of the Principal Ordinance is hereby amended by the deletion of the words "or that of any other person" in the third and fourth lines thereof.

Rules

8. The following shall be substituted for paragraph (b) of section 65 (1) of the Principal Ordinance:—

(b) for the deduction and payment of tax at the source in respect of emoluments and pensions payable out of the revenue of the Colony.

Repeal.

9. Paragraph (h) of section 12, and sections 29 and 46 of the Principal Ordinance are hereby repealed.

Commence-
ment

10. This Ordinance shall operate retrospectively and shall be deemed to have commenced and come into operation on the first day of January, 1925.

Passed in Council this first day of May, in the year of Our Lord one thousand nine hundred and twenty-five.

E. F. AANENSEN,
Acting Clerk of the Council.

OBJECTS AND REASONS.

THE object of this Bill is to amend the Income Tax Ordinance, 1923 as from 1st January, 1925, as follows:—

*Clause 2:—*To exempt from income tax the Trinidad Co-operative Bank, Limited, and kindred institutions established for the encouragement of thrift.

*Clause 3—(1) and (2):—*To allow as deductions from profits, interest actually paid *instead of interest payable*, and doubtful debts estimated to the satisfaction of the Commissioner of Income Tax to have become bad in the year preceding the year of assessment.

*Clause 4:—*To restrict the "wear and tear" allowance as regards buildings, to buildings used exclusively for housing machinery.

*Clause 5:—*To tax non-resident British shipowners on the basis of a ratio of their profits attributable to the Colony instead of on a percentage of their gross receipts in respect of fares and freight.

*Clause 6:—*To enable an affidavit instead of a Statutory Declaration to be accepted from persons who are out of the Colony when they are making their income tax return.

*Clause 8:—*To authorize the Governor to make Regulations for the deduction of income tax from emoluments and pensions payable from the Treasury.

*Clause 9:—*These provisions are being repealed by direction of the Secretary of State.