

**Fifth Session First Parliament Republic of Trinidad
and Tobago**



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 25 of 1981

[L.S.]

AN ACT to amend the laws relating to Income Tax.

[Assented to 14th August, 1981]

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

1. This Act may be cited as the Finance Act, 1981. Short title

PART I
INCOME TAX

Section 5 of the
Ordinance
amended
Ch. 33 No. 1

2. The Income Tax Ordinance (hereinafter in this Part called "the Ordinance") is amended in section 5:—

(a) by substituting for paragraph (a) of subsection (6) the following—

“(a) with effect from 1st January, 1981, an amount not exceeding forty thousand dollars shall be exempt from tax;” and

(b) by adding immediately after subsection (9) the following new subsections:—

“(10) Notwithstanding paragraph (e) of subsection (1), a person who receives a retirement severance benefit shall be exempt from income tax to the extent of not more than forty thousand dollars of such benefit where at the date of his retirement:—

(a) he is not entitled to a pension other than under the National Insurance Act or the Old Age Pensions Ordinance;

(b) he is not a member of an approved Pension Fund Plan, or of a Fund or Scheme that is a Provident Fund; and

(c) he produces evidence to the satisfaction of the Board of Inland Revenue:—

(i) that he has retired from uninsurable employment within the meaning of the National Insurance Act;

(ii) that he has reached the age of sixty years.

Act No. 35
of 1971
Ch. 13. No. 2

(11) For the purposes of subsection (10) the Board of Inland Revenue may require from the employee the production of a certificate from the National Insurance Board to the effect that the requirements outlined in subsection (10)(c) have been fulfilled.

3. Section 15 of the Ordinance is amended—

Section 15 of the
Ordinance
amended

- (a) by renumbering it as section 15(1);
- (b) by substituting the words “two thousand five hundred dollars” for the words “two thousand dollars” appearing in subsection (1) as renumbered; and
- (c) by adding immediately after subsection (1) as renumbered the following new subsection:—

“ (2) An individual to whom section 14 applies, if aged sixty years or over and in receipt of a pension that is subject to tax, is entitled to an additional personal allowance of either fifteen hundred dollars or the amount of such pension, whichever is the lesser.”

4. Section 15A of the Ordinance is amended by substituting the words “one thousand three hundred dollars” for the words “one thousand dollars” wherever those words appear.

Section 15A of the
Ordinance
amended

5. Section 15c of the Ordinance is amended by substituting the words “seven hundred dollars” for the words “five hundred dollars” wherever those words appear.

Section 15c of the
Ordinance
amended

6. Section 15E of the Ordinance is amended by substituting the words “one thousand five hundred dollars” for the words “one thousand two hundred dollars”.

Section 15E of the
Ordinance
amended

7. Section 15F of the Ordinance is amended by substituting the words “three thousand eight hundred dollars” for the words “three thousand dollars”.

Section 15F of the
Ordinance
amended

Section 16i of the
Ordinance
amended

8. Section 16i of the Ordinance is amended by substituting for the words "six hundred dollars" the words "eight hundred dollars" occurring in subsection (2).

Section 16j of the
Ordinance
amended

9. Section 16j of the Ordinance is amended by substituting for the words "five thousand dollars" the words "seven thousand five hundred dollars" occurring in line four of subsection (1).

Section 18b of the
Ordinance
amended

10. Section 18B of the Ordinance is amended:—

(a) by repealing paragraph (a) of subsection (2) and replacing it as follows:—

"(a) the annual value, as contemplated by paragraph (h) of subsection (1) of section 5, of a house, during such time as the house is occupied as a residence by the owner thereof;"

(b) by substituting for the words "subsection (2) does not" appearing in line one of subsection (4), the words "paragraphs (b), (c), (d) and (e) of subsection (2) do not".

Section 18c of the
Ordinance
amended

11. Section 18c of the Ordinance is amended in subsection (2) by deleting the words "The exemptions provided under paragraphs (a) and (b)" occurring in lines one and two, and substituting therefor the words "The exemption provided under paragraph (b)", and by deleting the word "are" occurring in line 3 and substituting therefore the word "is".

Section 18E of the
Ordinance
amended

12. Section 18E of the Ordinance is amended by deleting the words "newly constructed" appearing in line one.

Section 24 of the
Ordinance
amended

13. Section 24 of the Ordinance is amended by adding immediately after subsection (4) the following new subsection—

" (5) Nothing in subsection (4) shall be construed so as to prevent the application of a Dividend Income allowance in respect of a dividend paid by a resident company out of profits, though not within charge in its own hands, in respect of which income tax before 1st January, 1966 or corporation tax after that date has been paid by any other resident company."

14. The Second Schedule to the Ordinance is amended by substituting for paragraph 2 of Part I the following:—

Second
Schedule to the
Ordinance
amended

“ 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 52½ per cent of the amount by which the chargeable income exceeds \$5,000;
- (c) exceeds \$5,000, 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 \$300 plus 34 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 \$800 plus 65 per cent of the amount by which the chargeable income exceeds \$8,000.

PART II

ESTATE AND SUCCESSION DUTIES

15. Section 6(2) of the Estate and Succession Duties Ordinance is amended by adding immediately after paragraph (g) the following new paragraph:—

Section 6(2) of
Ch. 33, No. 5
amended

“(h) where the death occurs on or after 1st January, 1981, no duty shall be payable.”.

16. (1) This Act save for section 13 shall be deemed to have come into operation on 1st January, 1981.

Commencement

(2) Section 13 shall be deemed to have come into operation on 1st January, 1966.

Passed in the House of Representatives this 3rd day of July, 1981.

J. E. CARTER
Clerk of the House

Passed in the Senate this 14th day of July, 1981.

M. CARRINGTON
Acting Clerk of the Senate