

**Second Session Fourth Parliament Republic of Trinidad  
and Tobago**

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**REPUBLIC OF TRINIDAD AND TOBAGO**

**Act No. 25 of 1992**

[L.S.]

**AN ACT to amend the Income Tax Act, Chap. 75:01**

*[Assented to 29th December, 1992]*

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

**1. (1) This Act may be cited as the Income Tax Short title and  
(Amendment) Act, 1992. commencement**

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(2) This Act, with the exception of section 7, shall come into operation on 1st January, 1993.

(3) Section 7 is deemed to have come into operation on 1st January, 1992.

Interpretation  
Chap. 75:01

Section 21 amended

2. In this Act “the Act” means the Income Tax Act.

3. Section 21 of the Act is amended—

(a) by being renumbered as subsection (1) thereof;

(b) by deleting the words “equal to the amount of the deduction” and substituting the words “calculated in accordance with subsection (2)”;

(c) by inserting after subsection (1) the following subsections:

“ (2) The deduction to which a person is entitled in a year of income under this section is the amount which when added to the income, if any, that is deemed by section 74 to be the income of a charitable body, non-proprietary sporting club or association, or a public institution, or a trustee for any of them does not exceed fifteen per cent of the total income of the individual.

(3) A person is not entitled to a deduction under this section—

(a) unless he has accounted for and paid over to the Board any withholding tax for which he is liable under section 50;

(b) where the deed of covenant has not been duly stamped in accordance with the

Chap. 76:01

Stamp Duty Act by 31st  
December of the year in  
which it is executed.

(4) In this section "total income"  
has the same meaning as it has in  
section 74."

4. Section 34A of the Act is amended—

Section 34A  
amended

- (a) in subsection (1), by inserting after the word "on" in the first place where it occurs the words "loans secured by bonds or other similar investment instruments and on";
- (b) in subsection (2A), by inserting after the words "section 8(1)(p)," the words "each person paying interest on loans secured by bonds or other similar investment instruments and"; and
- (c) in subsection (4)—
  - (i) by deleting the words "Any bank or financial institution that, or any person referred to in subsection (1) who," and substituting the words "Any person referred to in subsection (2A) who"; and
  - (ii) by deleting the words "subsection (2A)" and substituting the words "that subsection".

5. The Act is amended by inserting after section 45  
the following sections:

Insertion of  
sections 45A  
and 45B

\*Additional  
Income Tax  
Exemptions

45A. (1) In this section—

'relevant authority' means in the case  
of—

- (a) residential properties, the  
Minister with responsi-  
bility for Housing;
- (b) industrial and com-  
mercial properties, the

Minister with responsibility for Industry, after consultation with the Industrial Development Corporation;

'residential property' has the same meaning as is assigned to "house" in section 2 of the Housing Act.

Chap. 33:01

(2) Notwithstanding any of the provisions of this Act, there shall be exempt from income tax until the year of income 2000—

(a) subject to subsection (4), premiums and rents derived from the letting of any residential, industrial and commercial properties the construction of which begins after 1st January, 1993 and is completed by 31st December, 1994;

(b) gains or profits derived from the initial sale of such properties.

(3) The income tax exemption given under subsection (2)(a) is granted to the owner of the property, whether such owner is the builder or a subsequent owner thereof.

(4) The income tax exemption given under subsection (2) shall not be granted—

(a) in respect of a residential property unless the cost of construction, exclusive

of the cost or value of the land, in the opinion of the relevant authority, having regard to normal building costs prevailing at the time of construction in respect of that property exceeds two hundred and fifty thousand dollars; and

- (b) unless a certificate from the relevant authority is produced in support of the claim for exemption.

(5) The certificate referred to in subsection (4)(b) shall certify—

- (a) the date of commencement of construction;
- (b) the date of completion of construction;
- (c) that the property is eligible for an income tax exemption under this section; and
- (d) the date of the initial sale of the property.

(6) The relevant authority shall maintain a register of properties which qualify for an exemption under subsection (2) and may on request by a subsequent owner issue a certificate to him”.

45B. A company that is in receipt of income or profits that are exempt from income tax under section 45A may, provided separate accounts are kept of such income or profits—

- (a) within eight years after the date of completion of

Dividends  
paid out of  
profits  
exempted  
under section  
45A similarly  
exempted

construction of the property, if the premiums and rents would be exempt from tax under the said section; or

- (b) within two years after the date of sale of the property, if the gains or profits would be exempt from income tax under the said section, 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 tax in the hands of the members of the company.

Section 74  
amended

6. Section 74(4) of the Act is amended by deleting the words commencing with the word “unless” to the end and substituting the words:

“unless—

- (a) the disponer has accounted for and paid over to the Board any withholding tax for which he is liable under section 50; and
- (b) the settlement has been duly stamped in accordance with the Stamp Duty Act by 31st December of the Year in which it is executed.”.

Chap. 76:01

Section 79  
amended

7. Section 79 of the Act is amended by deleting subsection (3B) and substituting the following subsection:

“ (3B) Where a person to whom subsection (3A) applies had paid quarterly instalments which amount to less than the tax liability disclosed in the return of the year of income, such person shall, with effect from 1st January, 1992, pay interest under section 103 on the difference between—

(a) the tax liability on the chargeable income of the previous year of income plus 80 per cent of the increase in the tax liability of the current year on the previous year of income; and

(b) the total amount paid by the end of the fourth quarter.”

8. Section 134 of the Act is amended—

Section 134  
amended

(a) in subsection (6) by deleting the words “Subsection (1)” and substituting the words “Subject to subsection (6A), subsection (1)”;

(b) by inserting after subsection (6) the following subsections:

“ (6A) Subsection (6) shall not apply where the employer contributes to a fund or contracts with any person to provide the benefit referred to in that subsection unless the fund or contract is approved by the Board.

“ (6B) The Board shall not approve a fund or contract to provide such benefit where—

(a) the total of—

(i) the contributions made in respect of the employee to the

fund or under the contract, as the case may be; and

- (ii) any contributions made by the employee to an approved pension fund plan or approved deferred annuity plan,

exceed one third part of the chargeable income of the employee computed in accordance with the provisions of this Act before making the deductions specified in section 20;

- (b) the fund established by the employer or the person, as the case may be, may issue loans in respect of such fund or contract;
  - (c) a lump sum or gratuity is payable before the employee attains the age of fifty other than on the death of the employee;
  - (d) the lump sum or gratuity payable on death or retirement exceeds twenty-five per cent of the capitalized value of the annual pension or annuity.”.
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Passed in the House of Representatives this  
11th day of December, 1992.

N. COX  
*Acting Clerk of the House*

Passed in the Senate this 15th day of December,  
1992.

R. CUMBERBATCH  
*Acting Clerk of the Senate*