

LEGAL NOTICE No. 16

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, 1987

1. This Order may be cited as the Provisional Collection of Taxes Order, Citation 1987.

2. The National Insurance Act is amended in section 56E by inserting new subsections (3) and (4) as follows:

The National
Insurance
Act
amended
Chap. 32:01

“(3) The health surcharge shall be paid to the Board until such time as the Minister responsible for the subject of finance shall by Notice published in the *Gazette* determine.

(4) Notwithstanding subsection (1) the Board of Inland Revenue is the tax authority for collecting the health surcharge.”

3. The Income Tax Act is amended—

The Income
Tax Act
amended
Chap. 75:01

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

“Health
Surcharge

5A. (1) A tax to be called a health surcharge shall be charged and is payable by self-employed persons, who in accordance with section 76 are liable to furnish a return of income.

(2) The Board is responsible for the collection and recovery of the health surcharge which shall be paid into the Consolidated Fund, and shall be applied to the Health Services in Trinidad and Tobago.

(3) The rate at which the health surcharge is payable is as follows—

(a) self-employed persons whose incomes are less than \$159.99 per month—\$4.80 per week;

(b) self-employed persons whose incomes are more than \$159.99 per month—\$8.25 per week.

(4) Where a person is self-employed, the health surcharge shall be paid to the Board on or before 31st March, 30th June, 30th September and 31st December in each year of income.

(5) Where a self-employed person fails to make such payment on or before the date on which it is due and payable, he shall on payment of the amount due, pay interest at twelve per cent per annum from the date on which the payment became due up to the date on which it is received by the Board.

(6) The health surcharge is a deductible allowance for tax purposes.

(7) The Minister may by Order amend the rates of the health surcharge.

(8) An Order made under subsection (7) shall be subject to affirmative resolution of Parliament.

(9) The provisions of sections 110, 111 and 112 shall apply *mutatis mutandis* to the health surcharge.”;

(b) in section 8—

(i) by inserting immediately after subsection (1)(j), a new paragraph (k) as follows—

“(k) the income of any person where the total income does not exceed twelve thousand dollars per annum.”;

(ii) by inserting under subsection (3) a new definition as follows—

““total income” means the aggregate amount of income of a person from the sources specified in section 5 before making any deductions allowed by any provision of this Act.”;

(c) by inserting after section 10(3) the following new subsection—

“(4) Notwithstanding that the annual value, as contemplated by section 5(1)(h), of land and improvements thereon during such time as they are occupied as a residence by the owner is exempted from income tax under section 42(2)(a), there shall be allowed outgoings and expenses wholly and exclusively incurred in the year of income, in respect of such annual value, so however—

- (a) that in respect of interest on a loan secured by a deed of mortgage on such land and improvements executed on or before 22nd January, 1987, the sum allowable shall not exceed forty-eight thousand dollars;
 - (b) that in respect of interest on a loan secured by a deed of mortgage on such land and improvements executed after 22nd January, 1987, the sum allowable shall not exceed thirty-six thousand dollars; and
 - (c) that in the case of expenses incurred in respect of repairs to a house on such land during such time as it is occupied by the owner thereof, the expenses allowable shall not exceed ten thousand dollars.”;
- (d) by repealing and replacing section 24(1) and (2) as follows—
- “ (1) Subject to this section an individual to whom section 17 applies, who is a relative of a person whom he maintained during the year of income shall, if that person, irrespective of age, was a university student during that year of income, be entitled to a deduction in respect of any expenses incurred in such year in connection with the education of such university student.
 - (2) The deduction allowable under subsection (1) in respect of any one person shall not exceed—
 - (a) three thousand eight hundred dollars where the relative of the individual was a university student in Trinidad and Tobago;
 - (b) six thousand dollars where the relative of the individual was a university student elsewhere.”;
- (e) in section 37—
- (i) in subsection (1) by substituting for the words “twelve thousand dollars” the words “seventy-five per cent of the total purchase made”;
 - (ii) in subsection (2) by inserting immediately after paragraph (b) the following new paragraph—
 - “(c) on purchase not exceeding sixteen thousand dollars.”;
- (f) by repealing section 42(2)(a) and by replacing it as follows—
- “(a) the annual value, as contemplated by section 5(1)(h), of land and improvements thereon during such time as they are occupied as a residence by the owner thereof;”;

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

**“Imposition
and computa-
tion of
national
recovery
impost**

48A. (1) There shall be levied and paid income tax, in this section referred to as the national recovery impost, at the rate set out in this section.

(2) The national recovery impost shall be payable where the chargeable income of a person other than a company exceeds \$70,000.

(3) The rate of tax shall be—

(a) on the first \$35,000 of chargeable income Nil

(b) on the remainder of chargeable income 1 per cent.

(4) In this section “chargeable income” has the meaning assigned to it in section 2 of the Unemployment Levy Act.”;

Chap. 75:03

(h) in section 74(3) by substituting for paragraph (iv) the following—

“(iv) for the year of income 1982, and subsequent years of income where the disposition is made and the stamp duty thereon is paid before 23rd January, 1987—ten per cent.”;

(i) by repealing and replacing section 103 as follows—

“Interest

103. Where the amount paid on account of tax payable by any person for a year of income on or before the expiration of the time allowed for filing the return of that person’s income is less than the amount of tax payable for the year, the person liable to pay the tax shall pay interest on the difference between those two amounts from the expiration of the time for filing the return of the income to the day of payment at the rate of fifteen per cent a year.”;

(j) by inserting after section 130(1) the following new subsections—

“(1A) Every person required by subsection (1) to make a return in accordance with the provisions of that subsection shall obtain from any person to whom interest is paid or credited the Board of Inland Revenue file number of such person and shall enter such file number in the return made and delivered under the subsection.

(1B) A person required by subsection (1) to make a return in accordance with that subsection who fails to obtain or to enter the Board of Inland Revenue file number in accordance with subsection (1A) is guilty of an offence and liable on summary conviction to a fine of five thousand dollars and to imprisonment for one year.”.

4. The Corporation Tax Act is amended by inserting immediately after section 10 the following new section—

Corporation
Tax Act
amended
Chap. 75:02

“Imposition
and compu-
tation of
national
recovery
impost

10A. (1) There shall be payable corporation tax, in this section referred to as the national recovery impost, at the rate set out in subsection (2).

(2) The national recovery impost shall be payable on the chargeable profits of a company at the following rates—

- (a) where the chargeable profits are less than \$5,000,000
...1 per cent
- (b) where the chargeable profits are \$5,000,000 and up to \$15,000,000...2 per cent
- (c) where the chargeable profits exceed \$15,000,000
...3 per cent.”.

5. The Petroleum Taxes Act is amended by inserting immediately after section 9 the following new section—

Petroleum
Taxes Act
amended
Chap. 75:04

“Charge
and compu-
tation of
national
recovery
impost

9A. (1) There shall be charged petroleum profits tax, in this section referred to as national recovery impost, at the rate set out in subsection (2).

(2) The national recovery impost shall be payable on the taxable profits of a person where the taxable profits are—

- (a) less than \$5,000,000—1 per cent
- (b) \$5,000,000 but do not exceed \$15,000,000—2 per cent
- (c) in excess of \$15,000,000—3 per cent.”.

6. The First Schedule to the Stamp Duty Act is amended by substituting for item 2(d) under the caption “Customs entries in respect of imported goods” the following—

Stamp Duty
Act
amended
Chap. 76:01
Schedule

“(d) text books, literature, magazines, newspapers, newsprint and work books”.

Purchase,
Sweepstake,
Departure
and Airline
Ticket
Taxes Act
amended
Chap. 77:01
Act No. 7
of 1983

7. The Purchase, Sweepstake, Departure and Airline Ticket Taxes Act is amended—

(a) in section 18B by repealing and replacing subsection (2) as follows—

“(2) For the purposes of this section the price of the tour is the cost of hotel accommodation and transportation in the overseas country and any other facilities enjoyed in that country.”;

(b) in section 23(a) by substituting for the words “the Director of Civil Aviation” the words “the Airports Authority”;

(c) by repealing and replacing section 27A as follows—

“Airline
ticket tax

27A. (1) There shall be charged on every airline ticket issued in Trinidad and Tobago other than on a ticket for travel within Trinidad and Tobago, a tax equal in amount to ten per cent of the cost of the ticket.

(2) The holder of the airline ticket shall pay the tax to the Airports Authority at the time of his departure from Trinidad and Tobago.”.

(d) in the Schedule by substituting—

(i) for the word “10” the word “15”;

(ii) for the word “30” the word “35”;

(iii) for the word “50” the word “55”;

(iv) for the word “75” the word “80”.

Excise Duty
(Petroleum
Products)
(No. 2)
Order 1984
amended

8. The Excise Duty (Petroleum Products) (No. 2) Order, 1984 is amended by substituting the words “15 cents per litre” for the words “10 cents per litre” wherever those words occur.

Commence-
ment

9. This Order comes into effect on 23rd January, 1987.

Dated this 23rd day of January, 1987.

K. BOSWELL INNIS

Secretary to Cabinet