
First Session First Parliament Republic of Trinidad
and Tobago



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 10 of 1977

[L.S.]

AN ACT to amend the Finance Act, 1963.

[Assented to 16th March, 1977]

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

1. This Act may be cited as the Finance (Amendment) Short title
Act, 1977.

2. (1) The Finance Act, 1963 (hereinafter referred to Act amended.
as "the Act") is amended— No. 13 of 1963

(a) by inserting immediately after section 12A
the following sections:—

"Rebate of
purchase
tax 12B. (1) Subject to this sec-
tion and to sections 12C to 12F,
where tax is due in respect of

any goods listed in the Fifth Schedule a rebate of tax shall be made to the manufacturer.

(2) The rebate of tax in respect of any such goods shall be computed in accordance with the Sixth Schedule according to the local value added in the manufacture or production of those goods.

(3) Nothing in this section shall apply in any case where the goods are sold for export.

Local value
added

12C. (1) In this section, section 12B, sections 12D to 12E, and the Fifth to Seventh Schedules, the local value added is the aggregate amount of the expenses specified in the Seventh Schedule, incurred during the immediately preceding year in the manufacture or production of goods similar to those with respect to which the claim for rebate is made, apportioned over the quantity of the goods manufactured or produced during that year and expressed as a percentage of the wholesale value of the goods in respect of which the claim for the rebate is made.

(2) Notwithstanding subsection (1) in any case where the Minister so directs the Comptroller may reduce the aggregate amount of expenses incurred in the manufacture or production of any such goods by an amount representing the excess over the level of profits that the Minister considers appropriate to be taken into account in determining the local value added of any such goods.

(3) In any case where there is no immediately preceding financial year or the immediately preceding financial year is less than twelve months, the aggregate amount of expenses incurred in the manufacture or production of similar goods in the current financial year shall be estimated in the claim for the rebate of tax and subject to subsection (4) be applied in determining the local value added.

(4) In any case where the aggregate amount of expenses incurred in the manufacture or production of similar goods is estimated under subsection (3), the Comptroller shall as soon as he considers it convenient determine the twelve-month period to be taken as the immediately preceding financial year for the purpose of calculating the local value added with respect to any such goods for the first financial year.

(5) In this section and in section 12D "financial year" means the period of twelve months during which the accounts of the business of a person is made up.

Claim for
rebate

12D. (1) The rebate of tax provided for in section 12B shall be made to a manufacturer only upon a claim therefor made at the time of accounting for tax payable on goods sold by way of a chargeable purchase in the current financial year, so however, that such goods must be similar to those according to the local value added of which the rebate of tax is calculated.

(2) Every claim for rebate of tax in respect of any goods shall contain the following information:—

- (a) a description and quantity of the goods sold in the current financial year with respect to which the claim is made;
- (b) a description and quantity of similar goods sold during the immediately preceding financial year;
- (c) the local value added showing additional particulars required for the calculation thereof, or the estimated local value added; and
- (d) the amount of tax due with respect to the goods which are the subject of the claim.

Examination
of books of
account

12E. The Comptroller or any officer acting under his authority may examine the books of account of a manufacturer for the purpose of determining the local value added in the manufacture or production of the goods in respect of which the claim for rebate of tax is made.

Amendment
of Fifth
Schedule

12F. (1) The Minister may by Order published in the *Gazette* add to, vary or amend the Fifth Schedule.

(2) An Order made under subsection (1) shall be subject to affirmative resolution of the House of Representatives.”;

(b) by adding thereto the following Schedules immediately after the Fourth Schedule:—

FIFTH SCHEDULE

(Section 12B(1))

GOODS APPROVED FOR THE REBATE OF PURCHASE TAX WHERE LOCAL VALUE IS ADDED IN MANUFACTURE OR PRODUCTION

1. Inner tubes for all vehicles, including cars, tri-cars, motor-cycles and goods vehicles.
2. Outer casings (tyres) including solid tyres for all vehicles (including cars, tri-cars, motor cycles and goods vehicles).
3. Stoves and ranges, designed for operation by electricity or gas.
4. Air conditioning units, not exceeding a cooling capacity of 35,000 B.T.U.
5. Radio receiving sets of domestic, portable or road vehicle types.
6. Television receivers (complete) and combinations of television receivers and/or radios, and/or radio gramophones.
7. Radio gramophones (radiograms) including tape recorders and all other radio apparatus, other than that specified in item 5.
8. Electrical or non-electrical apparatus not elsewhere specified such as:—
 - (a) Electrothermic apparatus, other than item 9 (including domestic working and heating appliances such as boiling rings and hot plates);
 - (b) Cooking utensils incorporating electric or gas heating elements such as kettles, coffee machines, egg boilers, milk warmers, toasters;
 - (c) Electro-medical appliances such as ultra-violet and radiant heat lamps, sun lamps, and other similar apparatus;
 - (d) Food mixers (including drink mixers);
 - (e) Hair dryers (all types).
9. Portable electric or gas appliances—electro-mechanical or gas appliances of a kind used for domestic purposes such as:—
 - (a) Vacuum cleaners;
 - (b) Carpet sweepers;
 - (c) Floor polishers;
 - (d) Washing machines;
 - (e) Dish washing machines;
 - (f) Water heating appliances;
 - (g) Health exercisers;
 - (h) Ice cream machines of a capacity up to 10 quarts;
 - (i) Electric fans (ceiling, table, floor or bracket).

10. Accumulators, electric.
11. Clocks with cases of precious metal; including combinations of clocks with other articles of which the clock forms a predominant part.
12. Watches with cases and straps of precious metal; including watch guards and other protective cases of such metal.
13. Clocks with cases not of precious metals (electric and non-electric), including combinations of clocks with other articles of which the clock forms a predominant part.
14. All time recording apparatus (electric or non-electric).
15. Phonographs, gramophones, record players and turn-tables electrically powered, including electric gramophone record reproducers.
16. Phonographs, gramophones, record players and turn-tables, non-electric.
17. Phonograph and gramophone records.
18. Domestic refrigerators and freezers, non-electric.
19. Freezers, electrically operated.
20. Refrigerators, electrically operated.
21. Water and beverage coolers.

SIXTH SCHEDULE

(Section 12B(2))

RATE OF REBATE OF PURCHASE TAX

1. Where the local value added is not less than 30 per cent but does not exceed 40 per cent the rebate shall be 10 per cent of the tax payable.
2. Where the local value added exceeds 40 per cent the rebate shall be 15 per cent of the tax payable.

SEVENTH SCHEDULE

(Section 12c(1))

EXPENSES FOR DETERMINING LOCAL VALUE ADDED

1. The expenses to be computed in determining the local value added are as follows:—
 - (a) wages and other earnings of wage labour paid, excluding overtime earnings, and wages and other earnings of wage labour paid to non-nationals;
 - (b) salaries and other earnings of salaried staff and management fees paid, not including salaries and other earnings of salaried staff and management fees paid to non-nationals and to non-resident principals of resident companies;
 - (c) any interest paid, not being interest paid to non-nationals and to non-resident principals of resident companies;
 - (d) normal depreciation on physical assets, other than imported assets, as shown in the books of account;

- (e) payments for patents, royalties, licences and similar charges, not including payments for patents, royalties, licence and similar charges made to non-nationals and to non-resident principals of resident companies;
- (f) rent paid, not including rent paid to non-nationals and to non-resident principals of resident companies;
- (g) the cost of raw materials (including components and fuel power) other than imported raw materials used in production;
- (h) other overhead expenses apportionable to production, not including similar expenses incurred to non-nationals and to non-resident principals of resident companies; and
- (i) plant profit, not including profits distributed or remitted directly or indirectly to non-nationals and to non-resident principals of resident companies.

2. In this Schedule—

“Caribbean Common Market”, “Common Market Origin” and “Member State” have the same meanings respectively as in the Customs Ordinance;

“imported” means imported from outside the Caribbean Common Market or imported from the Caribbean Common Market but not qualifying for treatment as goods of Common Market Origin;

“non-national” means a person who is not a citizen of a Member State and includes a person whose connection with such a State does not entitle him to be regarded as belonging to, or being a native or resident of the State for the purposes of the laws relating to immigration for the time being in force;

“non-resident” means a person (including a company) who is not resident in a Member State;

“resident company” means a company incorporated in a Member State and not controlled directly or indirectly by a person (including a company) who is not resident in a Member State.”

(2) Subject to sections 3 and 4 this section shall be deemed to have come into operation on the 4th July, 1973.

3. For the purpose of making rebate of tax provided for in section 2 during the period 1st January to 3rd July, 1973, this Act shall be deemed to have come into operation on the 1st January, 1973 and the amendments made by section 2(1) shall be read and construed with such adaptations and modifications as are necessary or expedient, as if the Customs (Amendment) Act, 1968 was still in force.

Retrospective
application to
CARIFTA

Rate of rebate
as from 1975

4. For the financial year ending in 1975 and subsequent years, the rate of rebate of tax in the Sixth Schedule to the Act shall be as follows—

Where the local value added—

- (a) is not less than 35 per cent but does not exceed 45 per cent the rebate shall be 10 per cent of the tax payable;
- (b) exceeds 45 per cent the rebate shall be 15 per cent of the tax payable.

Passed in the House of Representatives this 21st day of January, 1977.

J. E. CARTER
Clerk of the House

Passed in the Senate this 15th day of February, 1977.

R. L. GRIFFITH
Clerk of the Senate