
First Session First Parliament Republic of Trinidad
and Tobago



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 6 of 1977

[L.S.]

AN ACT to amend the Motor Vehicles and Road Traffic
Ordinance, Ch. 16. No. 3.

[Assented to 7th March, 1977]

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

1. This Act may be cited as the Motor Vehicles and Road ~~short title~~
Traffic (Amendment) Act, 1977.

Ordinance
amended.
Ch. 16. No. 3

2. (1) The Motor Vehicles and Road Traffic Ordinance (hereinafter referred to as "the Ordinance") is amended—

(a) by inserting immediately after section 7A the following sections:—

"Rebate of
motor
vehicles
tax

7B. (1) Subject to this section and to sections 7C to 7E where motor vehicles tax has been paid on the sale of a private motor car, a taxi or a rented car (hereinafter referred to as a "motor car") assembled in Trinidad and Tobago a rebate of tax shall be made to the manufacturer.

(2) For the purposes of subsection (1), motor vehicles tax shall be deemed to have been paid where the purchaser of the motor car was exempt from the payment of the tax or any part thereof or where the tax or any part thereof has been remitted.

(3) The rebate of tax in respect of any such motor car shall be computed in accordance with the Fifth Schedule according to the local value added in the assembly of the motor car.

(4) Nothing in this section shall apply in any case where the motor car is sold for export.

(5) In this section and in sections 7D and 7E "manufacturer" means a person who carries on in Trinidad and Tobago the business of assembling motor cars.

Local
value
added

7C. (1) In this section, section 7B, sections 7D and 7E and the Fifth and Sixth Schedules the

local value added is the aggregate amount of the expenses specified in the Sixth Schedule, incurred during the immediately preceding year in the assembly of motor cars similar to the motor cars in respect of which the claim for rebate of tax is made apportioned over the number of motor cars assembled during that year and expressed as a percentage of the showroom price of such motor car.

(2) Notwithstanding subsection (1) in any case where the Minister so directs the Board of Inland Revenue may reduce the aggregate amount of the expenses incurred in the assembly of any such motor cars 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 motor cars.

(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 assembly of similar motor cars 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 the expenses incurred in the assembly of similar motor cars is estimated under subsection (3), the Board of Inland Revenue shall as soon as it 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 motor cars for the first financial year.

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

Claim for
rebate

7D. (1) The rebate of tax provided for in section 7B shall be made monthly in arrear to a manufacturer upon a claim therefor.

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

- (a) the make, chassis number, registration number, engine number (measured in cubic centimetres) and the showroom price of the motor car sold in the current financial year with respect to which the claim is made;
- (b) the make, chassis number, registration number, engine number (measured in cubic centimetres) and

the showroom price of similar motor cars 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 motor vehicles tax paid in respect of the motor car, the date of payment and the name and address of the office into which payment of the motor vehicles tax has been paid.

Examina-
tion of
books of
account

7E. The Board of Inland Revenue or any officer acting under its authority may examine the books of account of a manufacturer for the purpose of determining the local value added in the assembly of the motor car in respect of which the claim for rebate of tax is made.”;

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

“ FIFTH SCHEDULE

[Section 7B(3)]

RATE OF REBATE OF MOTOR VEHICLES TAX

1. Where the local value added exceeds 30 per cent but does not exceed 40 per cent, the rebate shall be—

- (a) in the case of motor cars the showroom price of which is less than \$3,500, 15 per cent of the motor vehicles tax;

- (b) in the case of motor cars the showroom price of which is \$3,500 or more but under \$5,000, 10 per cent of the motor vehicles tax;
- (c) in the case of motor cars the showroom price of which is \$5,000 or more but under \$7,000, 5 per cent of the motor vehicles tax.

2. Where the local value added exceeds 40 per cent in the case of motor cars the showroom prices of which are the same as the prices specified in subparagraphs (a), (b) and (c) of paragraph 1, the rebate shall be 20 per cent, 15 per cent and 10 per cent respectively, of the motor vehicles tax.

SIXTH SCHEDULE

[Section 7c(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, licences 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 productions;
- (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-principal” 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

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

Rate of rebate
as from 1975

(a) where the local value added is 35 per cent or more but does not exceed 45 per cent the rebate shall be—

(i) in the case of motor cars with an engine rating of under 1,500 cc's, 15 per cent of the motor vehicles tax;

(ii) in the case of motor cars with an engine rating of 1,500 cc's and over but under 1,800 cc's, 10 per cent of the motor vehicles tax;

- (iii) in the case of motor cars with an engine rating of 1,800 cc's and over but under 2,500 cc's, 5 per cent of the motor vehicles tax;
- (b) where the local value added exceeds 45 per cent in the case of motor cars the engine ratings of which are the same as the engine rating specified in subparagraphs (i), (ii) and (iii) of paragraph (a), the rebate shall be 20 per cent, 15 per cent and 10 per cent, respectively of the motor vehicles tax.

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

J. E. CARTER
Clerk of the House

Passed in the Senate this 8th day of February, 1977.

R. GRIFFITH
Clerk of the Senate