
First Session First Parliament Republic of Trinidad
and Tobago



Am-
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TRINIDAD AND TOBAGO
Act No. 46 of 1976

[L.S.]

AN ACT to amend the Income Tax (In Aid of Industry)
Ordinance, Ch. 33. No. 2.

[Assented to 6th November, 1976]

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

1. This Act may be cited as the Income Tax (In Aid Short title
of Industry) (Amendment) Act, 1976.

2. In this Act "the Ordinance" means the Income Tax Interpretation,
(In Aid of Industry) Ordinance, Ch. 33, No. 2

Ordinance
amended by
insertion of
Part IIIb

3. The Ordinance is amended by inserting immediately after Part IIIA thereof the following Part:—

“PART IIIb

PRODUCTION BUSINESS ON LAND

“Definitions

26F. In this Part—

“disposal value” means, in relation to any property—

- (a) which has been disposed of by way of a sale, the net proceeds of such sale, or which has been disposed of by way of an exchange or transfer, the written down value at the time of such exchange or transfer;
- (b) which has been scrapped, the scrap value thereof, if any;
- (c) which has been destroyed, any amount received for the remains thereof together with any amount accrued as compensation or indemnity for such destruction;

“financial year” means the financial year of any person for the purposes of the Petroleum Taxes Act, 1974;

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1974

“new capital expenditure” means expenditure incurred in relation to the production business on land of any person by way of—

- (a) the acquisition of assets of a tangible nature;
- (b) the cost of exploration operations;
- (c) intangible drilling and development costs within the meaning of section 14(6) of the Petroleum Taxes Act, 1974;

“petroleum operations” has the same meaning as in the Petroleum Taxes Act, 1974;

“production business” has the same meaning as in the Petroleum Taxes Act, 1974;

“taxable profits” means taxable profits of any person ascertained under the Petroleum Taxes Act, 1974.

Application
of Part IIIb

26G. Nothing in this Part applies where the taxable profits of a person are ascertained by computing profits or gains at the actual prices received for crude oil won and saved in the production business of any person instead of by prices deemed to have been received by that business.

Investment
allowances

26H. (1) Where any person incurs new capital expenditure on or after the 1st January, 1975 in respect of his production business on land there shall be made to him an allowance (in this Part referred to as “investment allowance”) provided for under this section and the provisions of Parts I, II and III shall not apply in respect of such expenditure.

(2) The amount by reference to which the investment allowances are to be calculated shall be an amount equal to one hundred and fifty per cent of the new capital expenditure.

(3) The investment allowances shall be granted for six years commencing from the financial year in which the new capital expenditure is incurred and computed as follows:—

- (a) for the first financial year an initial investment allowance and an annual investment allowance of twenty per cent each of the amount determined in accordance with subsection (2);
- (b) for subsequent financial years an annual investment allowance of

twenty per cent of the residue of such amount after deduction of the investment allowances under paragraph (a).

Balancing
charge or
allowance

26I. (1) Subject to subsection (3), where any property, in respect of which any investment allowances have been granted to any person under section 26H(3) is disposed of, scrapped or destroyed, and the disposal value thereof exceeds the difference between—

(a) the amount determined in accordance with section 26H(2); and

(b) any investment allowances granted under section 26H(3);

then a balancing charge, equal to the amount of such excess shall be included in the taxable profits of that person for the financial year in which the property was disposed of, scrapped or destroyed.

(2) Subject to subsection (3), where any property, in respect of which any investment allowances have been granted to any person under section 26H(3) is disposed of, scrapped or destroyed and the amount determined in accordance with section 26H(2) exceeds the aggregate of—

(a) any investment allowances granted under section 26H(3); and

(b) the disposal value thereof, then a balancing allowance, equal to the amount of such excess shall be allowed as a deduction in ascertaining the taxable profits of that person for the financial year in which the property was disposed of, scrapped or destroyed.

(3) Where any property, in respect of which any investment allowances have been granted to any person under section 26H(3) is disposed of within three years after the end of the financial year in which the expenditure was incurred, a balancing charge or balancing allowance, as the case

may be, shall be computed under this section by substituting a reference to the new capital expenditure actually incurred for any reference to the amount determined in accordance with section 26H(2).

(4) For the purposes of subsection (3) property shall be deemed to have been disposed of where it is sold or exchanged or transferred from the production business on land of a person to any other business activity of that person.

Production allowance

26J. In ascertaining the taxable profits of any person for any financial year there shall be made to him an allowance of an amount equal to fifteen per cent of the amount deemed to have been received from the disposal of all crude oil won and saved on land in the production business of such person at the prices fixed for that business.”.

4. The enactment mentioned in the first column of the Schedule shall have effect subject to the amendments specified in the second column of the Schedule. Enactment amended

5. This Act shall be deemed to have come into operation on the 1st day of January, 1975. Commencement

SCHEDULE

FIRST COLUMN <i>Enactment</i>	SECOND COLUMN <i>Amendments</i>
The Petroleum Taxes Act, 1974	Section 14 is amended— (a) in subsection (3), by substituting the words "Part III, IIIA or IIIB" for the words "Part III or IIIA" occurring therein; (b) in subsection (4), by substituting the words "Parts I, II and IIIB" for the words "Parts I, II and VI" occurring therein.

Passed in the House of Representatives this 15th day of October, 1976.

J. E. CARTER
Clerk of the House

Passed in the Senate this 26th day of October, 1976.

R. GRIFFITH
Clerk of the Senate