

THE FINANCE BILL, 2005

Explanatory Note

(These notes form no part of the Bill but are intended only to indicate its general purport)

The main purpose of this Bill is to provide for the imposition of and adjustment to certain tax measures as well as other financial matters.

Part I of the Bill entitled "Preliminary" would contain clause 1 – the Short Title.

Part II of the Bill entitled "National Lotteries" would contain clause 2, which would amend the National Lotteries Act, Chap. 21:04, to give power expressly to the National Lotteries Control Board to acquire real property and undertake a variety of transactions in connection therewith. This amendment would eliminate some of the difficulties being experienced by the Board in this regard, and would facilitate the Board's attainment of its objects.

Parts III and IV of the Bill entitled "Old Age Pension" and "Public Assistance", would contain clauses 3 – 6 which would amend the Old Age Pension Act, Chap. 32:02 and the Public Assistance Act, Chap. 32:03, to provide for the increases in old age pension and public assistance respectively, effective from October 01, 2004. Payments made prior to the enactment of the Act for which this is the Bill would be validated.

Part V of the Bill entitled "Income Tax" would contain clause 7 which would amend the Income Tax Act, Chap. 75:01 to restrict the time period during which a claim may be made for a capital allowance, and would also increase the personal allowance for persons who have not attained sixty years with effect from January 01, 2005.

Part VI of the Bill entitled "Corporation Tax" would contain clauses 8 and 9 which would amend the Corporation Tax Act, Chap. 75:02. Clause 8 would correct an error made in 1997, with respect to covenanted donations to charity. Inadvertently, the provisions that allowed for single year deeds of covenant were removed, but the Board of Inland Revenue continued to approve them for companies. The new provision inserted as clause 10 O of the Corporation Tax Act, would allow the Board to approve single year deeds of covenant for companies. Clause 9 would validate the approvals of covenanted donations for one year given by the Board since 1997.

Part VII of the Bill entitled "Unemployment Levy" would contain clause 10. This clause would effect the following changes to the Unemployment Levy Act, Chap. 75:03.

- (a) paragraph (a) would provide the definition of "Board";
- (b) paragraph (b) would provide the basis and period of the charge of the tax;
- (c) paragraph (c) would provide that the computation and assessment on taxable profits will be made on the basis of the current year, and would specify the payment date; and
- (d) paragraph (d) would bring the rate of the penalty in respect of non-payment of tax, in line with the rate of penalty payable for non-payment of income and corporation taxes, and would also allow the Board to estimate the tax on an annual basis.

Part VIII of the Bill entitled "Petroleum Taxes" would contain clause 11.

Paragraph (a) of clause 11 would amend section 7 of the Petroleum Profits Tax Act to provide that-

- (a) petroleum profits tax, although computed and assessed annually, be paid quarterly on a current year basis;
- (b) supplemental petroleum tax be computed, assessed and paid on a quarterly basis; and
- (c) interest be borne at the rate of twenty per cent on all or any part of taxes payable under this section that are not paid by the end of a quarter.

Paragraph (b) of clause 11 would amend section 15(1A) to provide that allowances on capitalized expenditure are deductible from the year following the year in which the expenditure was actually incurred.

Paragraph (c) seeks to insert a new paragraph 17A which would amend the definition of "management charges" to make it clear that head office charges as well as foreign research and development fees and any other shared costs are included in the definition of "management charges". Furthermore the expenditure in respect of management charges is currently capped at one per cent of the other expenses allowed (with the exception of the management charges). Proposed clause 17A would increase the cap on expenditure from one

percent to two per cent. This increase in the cap is to apply both to companies operating under the Corporation Taxes Act as well as under the Petroleum Taxes Act.

Section 21 of the Petroleum Taxes Act stipulates that Supplemental Petroleum Tax (SPT) is charged on gross income. Proposed subsection (1A) would provide that the gross income derived from the disposal of condensate along a pipeline is to be deemed to have been earned by the company in respect of which a licence was issued to produce petroleum.

Paragraph (f) seeks to repeal section 22A (geological and geophysical allowance), 25 (exploration allowance), 25B (heavy oil allowance), 26 (investment allowance), 26A (enhanced recovery allowance), 26C (allowances to be claimed in the financial year) and 26D (deductibility of allowances) and substituting a new section 22A which would stipulate that where the gross income of a person derived from the production of crude oil is to be ascertained, the initial producer shall be deemed to have produced the condensate recovered from a gas pipeline. "Initial producer" would mean the person to whom a licence is issued to produce the petroleum.

Paragraph (g) would insert in Part III (Miscellaneous and General) a new section 26E which would provide for a claim for an allowance for decommissioning or abandonment costs to be made only in the year in which the work in respect of the decommissioning or abandonment was actually performed.

Paragraph (h) would delete the existing item 1 of the Third Schedule and substitute two new items. The new item 1 would remove the definition of "weighted average annual crude oil price" and substitute a definition for "weighted average crude oil price" which would mean the gross income derived by a company from the disposal of crude oil during a particular quarter, divided by the gross volume of crude oil disposed of for that quarter. Item 1A would specify the dates of termination of each quarter.

Paragraphs (i), (j), (k) and (l) would alter the SPT regime.

With respect to marine operations, SPT would be imposed at a rate of zero per cent on the price of crude oil between US\$0.00 to US\$15.00 per barrel. With respect to land operations, SPT would be imposed at a rate of zero per cent on the price of crude oil between US\$0.00 and US\$16.50 per barrel. In price bands below US\$21.00 per barrel, the SPT rates would be reduced such that the new rates would take into account the effect of inflation since 1992 when the rates were last adjusted. The proposed new SPT rates, with effect from January 1, 2003 are as follows:

For Marine Operations:

- With respect to prices of crude oil between US\$15.01 and US\$16.50 per barrel, the rates of SPT for Classes "A" and "B" will be 7% and 5% respectively;
- With respect to prices of crude oil between US\$16.51 and US\$18.00 per barrel, the rates of SPT for Classes "A" and "B" will be 11% and 6% respectively;
- With respect to prices of crude oil between US\$18.01 and US\$19.50 per barrel, the rates of SPT for Classes "A" and "B" will be 15% and 10% respectively;
- With respect to prices of crude oil between US\$19.51 and US\$21.00 per barrel, the rates of SPT for Classes "A" and "B" will be 19% and 11% respectively;
- With respect to prices of crude over US\$21.00 per barrel, SPT rates would be reduced by 3 percentage points.

For Land Operations:

- With respect to prices of crude oil between US\$16.51 and US\$18.00 per barrel, the rates of SPT for Classes "C" and "D" will be 4% and 0% respectively;
- With respect to prices of crude oil between US\$18.01 and US\$19.50 per barrel, the rates of SPT for Classes "C" and "D" will be 8% and 1% respectively;
- With respect to prices of crude oil between US\$19.51 and US\$21.00 per barrel, the rates of SPT for Classes "C" and "D" will be 12% and 2% respectively;
- With respect to prices of crude over US\$21.00 per barrel, SPT rates would be reduced by 3 percentage points.

Part IX of the Bill entitled "Fiscal Incentives" would amend the Fiscal Incentives Act, Chap 85:01 to insert a new section 25A which would ensure that approved enterprises claim an allowance in the year that the related expenditure was incurred in the year of income in which such expenditure was incurred and in the year immediately following the year of income.

Part X of the Bill entitled "Customs Act" would amend the Second Schedule to the Customs Act, Chap 78:01 to raise from \$1,200 to \$3,000, the exemption from customs duty on goods accompanying a passenger.

Part XI of the Bill entitled "Income Tax in Aid of Industry" would amend the Income Tax (In Aid of Industry) Act, Chap. 85:04 –

- (a) by deleting section 16B to dispose with first year allowances under Chap. 85:04 in the first year of a company's operation;
- (b) by repealing and replacing section 17A to enable a person to claim an allowance on expenditure incurred on the provision of machinery or plant, in the year in which the expenditure was incurred;
- (c) by deleting section 23A to effect a consequential amendment arising from the deletion of section 16B;
- (d) by amending section 24 to the effect that the allowance contemplated would commence from the year following the year in which it was actually; and
- (e) by inserting -
 - (i) new section 63A which would enable a person to claim an allowance for capital expenditure in the year of income in which the expenditure was incurred and the years immediately following; and
 - (ii) new section 63B which would allow petroleum companies to set off costs incurred in relation to decommissioning or abandonment.

Part XII of the Bill entitled "Securities Industries" would contain clause 15 which seeks to amend the Securities Industries Act, 1995 to increase the complement of commissioners on the Trinidad and Tobago Securities and Exchange Commission from five to seven. The additional commissioners would

be required to have wide experience and ability in legal, financial, business or administrative matters.

Part XIII of the Bill entitled "Pensionable Emoluments" would contain clause 16 which seeks to amend the Pensions Act, Chap. 23:52 to provide for the definition "pensionable emolument" to include interim allowances paid to the holders of the offices of School Supervisor I, School Supervisor II, School Supervisor III, Director of School Supervision and Chief Education Officer pending the transfer of the said offices to the Teaching Service and shall be deemed pensionable allowances.

Part XIV of the Bill entitled "The Finance Act, 2004" would contain clause 17 which seeks to amend the Finance Act, 2004 to insert the word "35" after the word "subsection" with effect from January 1, 2004.

Part XV of the Bill entitled "Gate Fund" would contain clause 18 which seeks to transfer all moneys credited to and all charges or liabilities on the Dollar for Dollar Fund established under section 43 of the Exchequer and Audit Act, Chap 69:01 to the Government Assistance for Tuition Expenses Fund established under that section upon the coming into operation of this Act.

Part XVI of the Bill, entitled "Privileges and Immunities [Caribbean Court of Justice (CCJ), Regional Judicial and Legal Services Commission (RJLSC and the Caribbean Court of Justice Trust Fund] Order, 2004" would contain clause 19 which seeks to amend clause 7 of the Privileges and Immunities [Caribbean Court of Justice (CCJ), Regional Judicial and Legal Services Commission (RJLSC) and the Caribbean Court of Justice Trust Fund] Order, 2004, Legal Notice No. of 2005 to remove any doubt as to the application of the provision and to make such application retroactive to August 22, 2003.

Part XVII of the Bill would deal with the commencement of the Act for which this is the Bill.

A BILL

AN ACT to provide for the imposition or variation of certain taxes
and to introduce other provisions of a fiscal nature
and for related matters

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

PART I

PRELIMINARY

Short title 1. This Act may be cited as the Finance Act, 2005.

PART II

NATIONAL LOTTERIES

Chap. 21:04 amended 2. The National Lotteries Act (in this Part referred to as “the Act”) is amended –

(a) in section 9 -

(i) in paragraph (f), by deleting the words “lottery.” and substituting the words “lottery; and”; and

(ii) by inserting after paragraph (f), the following paragraph:

“(g) do all such things as are incidental or conducive to the attainment of its objects.”.

- (b) by inserting after section 20, the following new section -

“Powers of
the Board

20A.(1) Subject to the approval of
the Minister, the Board may –

- (a) acquire, hold and enjoy any property, real or personal by purchase, devise, bequest, gift or in any other way; and
- (b) lease, accept surrenders of leases, mortgage, grant or accept licences, rights of way or easements.

(2) The Board shall, in accordance with this section and with the approval of the Minister, dispose of property which is no longer required for its use.”.

- (c) in section 21(1) by -

- (i) deleting the word “charges” occurring in line two and substituting the word “expenditure”;
- (ii) deleting the word “operation” at the end of paragraph (d) and substituting the words “operation; and”; and
- (iii) inserting the following paragraph -

“(e) acquisition and maintenance of real and personal property for the purposes for which the body corporate is constituted.”.

PART III

OLD AGE PENSIONS

Section 3
amended
Chap. 32:02

3. Section 3 of the Old Age Pensions Act is amended –

- (a) in subsection (1) (b), by deleting the words “one thousand dollars” and substituting the words “eleven hundred and fifty dollars”; and
- (b) in subsection (4) by deleting the words “nine hundred dollars” and substituting the words “one thousand and fifty dollars”.

Validation

4. (1) The increase in the monthly pension in excess of one thousand dollars paid by the Board to persons on or after 1st October, 2004 is hereby validated.

(2) The increase in the basic pension in excess of nine hundred dollars paid by the Board to persons on or after 1st October, 2004, is hereby validated.

PART IV

PUBLIC ASSISTANCE

Chap. 32:03
amended

5. The Public Assistance Act is amended in section 11A(3) by deleting the words “six hundred and fifty dollars” and substituting the words “eight hundred dollars”.

Validation

6. The increase in the disability assistance in excess of six hundred and fifty dollars paid by the Board to persons on or after 1st October, 2004, is hereby validated.

PART V

INCOME TAX

Chap. 75:01
amended

7. (1) The Income Tax Act is amended –

- (a) in section 18 (1), by deleting paragraph (a) and substituting the following:

“(a) has not attained the age of sixty years and whose gross annual income –

- (i) does not exceed thirty thousand dollars, shall be entitled to a personal allowance of thirty thousand dollars;
- (ii) exceeds thirty thousand dollars but does not exceed thirty-five thousand dollars, shall be entitled to a personal allowance of thirty thousand dollars less one dollar for every dollar of income exceeding thirty thousand dollars; and
- (iii) exceeds thirty-five thousand dollars, shall be entitled to a personal allowance of twenty-five thousand dollars;” ;

(b) by repealing section 136(5); and

(c) by repealing section 139.

(2) Paragraph 1 is deemed to have come into effect on January 01, 2005.

PART VI

CORPORATION TAX

Chap. 75:02
amended

8. The Corporation Tax Act is amended-

(a) in section 3A(2)-

- (i) in paragraph (f), by deleting the full-stop and substituting therefore a semi-colon; and
- (ii) by inserting after paragraph (f) the following paragraph:

“(g) the gross sales or receipts of an approved small company referred to in section 16A.”.

(b) in section 7-

- (i) in subsection (3), by deleting the words “subsections (4) and (5)” occurring before the words “, be made in ascertaining the chargeable profits”

and substituting the words “subsection (4) and section 10 O”;

(ii) by deleting subsection (5);

(c) by inserting after section 10N the following section:

“Covenanted Donations 10 O. (1) Notwithstanding section 7(3)(b), but subject to subsections (2), (3), (4) and (5) where, in a year of income, a company makes a covenanted donation to charity, the company shall be entitled to claim as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance equal to the amount of the covenanted donation payable during that year not exceeding fifteen per cent of the total income of the company.

(2) Where in a year of income, a company makes a covenanted donation to charity, the amount that may be claimed as a deduction under subsection (1) shall not exceed one million dollars.

(3) A company shall not be entitled to claim as a deduction under subsection (1), an allowance which is more than the actual expenditure incurred during that year of income.

(4) A company shall not be entitled to the allowance under this section where the deed or other agreement under which the covenanted donation to charity is made has not been duly stamped in accordance with the Stamp Duty Act by the 31st December of the year in which the deed or agreement was executed.

(5) For the removal of doubt, a company which is granted an allowance under this section shall not also be entitled to a deduction under sections 10E, 10G, 10H, 10I, 10J and 10K.

(6) For the purposes of this section, “covenanted donation to charity” means a payment under a deed of covenant or other agreement, made by a company in favour of -

- (a) a sporting body of persons as defined by section 6(2) approved by the President in writing; or
- (b) an ecclesiastical, charitable, or educational institution of a public character approved by the President in writing.”.

(d) in the Table under section 19, by deleting the words “Section 21 (Donations to charity, etc.)”.

Validation
of acts done
by the Board

9. Every act or thing done by the Board of Inland Revenue in relation to its approval, prior to the coming into operation of the Finance Act, 2005, of covenanted donations to a charity made by a company, is hereby validated and declared to have been lawfully done by the Board.

PART VII

UNEMPLOYMENT LEVY

Chap.75:03

10. The Unemployment Levy Act is amended -

- (a) in section 2(1) by inserting in the appropriate place the following definition:

“Board of Inland Revenue” or “Board”
means the Board of Inland Revenue
established by section 3 of the
Income Tax Act;”

Chap. 75:01

- (b) by deleting section 6 and substituting the following section:

“6. Subject to this Act, the levy shall be charged in accordance with section 7 on the taxable profits of a person for a financial year, in respect of which taxable profits for petroleum profits tax purposes are ascertained.”.

(c) in section 8-

- (i) by deleting subsections (1), (2) and (3) and substituting the following:

“(1) Subject to this Act, the levy shall be computed and assessed on the taxable profits of a person for a current financial year and there shall be paid by that person to the Board on or before 31st March, 30th June, 30th September and 31st December respectively in each year, an amount equal to one-quarter of the levy estimated for that current year.

(2) If all or any part of the levy is not paid by the end of a quarter, the outstanding levy shall carry interest at the rate of twenty per cent a year from the date on which the quarterly installment was due to the date of payment.

- (ii) by renumbering subsection (4) as subsection (3);

(d) in section 9-

- (i) by deleting subsections (1) and (2) and substituting the following:

“(1)The Board may estimate the amount of the levy payable by a person in each quarter of a current financial year where that person fails to pay over the levy by the end of the quarter referred to in section 8(1).”;

- (ii) by renumbering subsections (5) and (6) as subsections (2) and (3) respectively;
- (iii) in subsection (2) as renumbered, by deleting the words “section 8(3)” wherever occurring and substituting the words

“section 8(2); and

- (iv) in subsection (3) as renumbered, by deleting the words “section 8(4) and substituting the words “section 8(3)”.

PART VIII

PETROLEUM TAXES

Chap.75:04
amended

11. The Petroleum Taxes Act is amended-

- (a) by repealing subsection (1) of section 7 and substituting therefor the following new subsections:

“(1) Petroleum profits tax shall be computed and assessed on the taxable profits of a person for a current financial year and there shall be paid by that person to the Board on or before 31st March, 30th June, 30th September and 31st December respectively in each year, an amount equal to one-quarter of the tax estimated on its taxable profits for that current year.

(1A) Supplemental petroleum tax shall be computed and assessed on a quarterly basis upon the gross income of a person for the quarters ending on 31st March, 30th June, 30th September and 31st December respectively and shall be paid by that person to the Board by the fifteenth day of the month following the end of each quarter.

(1B) If all or any part of the taxes payable under this section are not paid by the end of a quarter, the outstanding taxes shall bear interest at the rate of twenty per cent a year from the date on which the quarterly instalments were due to the date of payment”.

- (b) by deleting the words “only after the commencement of commercial production” occurring in section 15(1A) and substituting the words “from the year following the year in which the expenditure was actually incurred”.

(c) by inserting after section 17, the following section:

“Management Charges 17A. (1) Notwithstanding the provisions of section 10 of the Income Tax Act, where a person carrying on any of the separate businesses makes any payment in respect of management charges to a person not resident in Trinidad and Tobago, there shall be allowed to that person a deduction of an amount equal to the sum of such payments for the financial year or to two percent of outgoings and expenses allowed under that section (exclusive of all management charges and special allowances) of that business, whichever is the lesser of the two amounts.

(2) In subsection (1), “management charges” means charges made for the provision of management services and charges made for the provision of personal services and technical and managerial skills, head office charges, foreign research and development fees and other shared costs charged by head office.”;

(d) in section 18A, with effect from January 1, 2003, by inserting the words “10I,” immediately after the words “10G,” occurring in line one;

(e) in section 21, by inserting after subsection(1) the following:

“(1A) For the purposes of this section, the gross income derived from the disposal of condensate along a pipeline shall be deemed to have been earned by the company in respect of which a licence was issued to produce petroleum.”;

(f) by repealing sections 22A, 25, 25B, 26, 26A, 26B, 26C and 26D and substituting the following new section:

“22A. (1) For the purposes of ascertaining the gross income of a person derived from the production of crude

oil, the initial producer shall be deemed to have produced the condensate recovered from a gas pipeline.”

(2) In this section “initial producer” means the person to whom a licence is issued to produce the petroleum.” ;

(g) by inserting in Part III (MISCELLANEOUS AND GENERAL) a new section 26E as follows:

“26E. An allowance for decommissioning or abandonment costs under this Act may be claimed only in the year in which the work in respect of the decommissioning or abandonment was actually performed.”;

(h) by deleting item 1 of the Third Schedule and substituting the following:

“1. In this Schedule, “weighted average crude oil price” means the gross income derived by a company from the disposal of crude oil during a particular quarter, divided by the gross volume of crude oil disposed of for that quarter.

1A. For the purposes of item 1, the quarters referred to are the period of three months ending on March 31st, June 30th, September 30th and December 31st of a financial year.”;

(i) in item 2-

(i) by deleting the words “and land”;

(ii) by deleting the marginal note and by substituting the following marginal note:

“Rates for Marine Operations”;

(ii) in relation to Marine Operations-

(A) at paragraph (a), by deleting the words “U.S.\$13.00” and substituting the words “U.S.\$15.00”;

(B) at paragraphs (b) and (c), by deleting the words “or sub-licence” and substituting the words “,sub-

licence or contract” and by inserting after the words “licensed area” the words “or area subject to the contract” wherever appearing;

- (iii) by inserting immediately before the heading “Land Operations” the following new item:

“Rates for Land Operations 3. The tax chargeable in respect of petroleum land operations is hereby computed and fixed as follows:”;

- (j) in item 3 as now numbered-

- (i) at paragraph (a), by deleting the words “U.S.\$14.00” and substituting the words “U.S.\$16.50”;
- (ii) at paragraphs (d), by deleting the words “or sub-licence” and substituting the words “, sub-licence or contract” and by inserting after the words “licensed area” the words “or area subject to the contract”;

- (k) by inserting after item 6 of the Third Schedule the following new item:

“Production Sharing Contract 7. The income from marine and land operations derived under a Production Sharing Contract shall be subject to supplemental petroleum tax except where the contract expressly exempts the contractor from the liability to pay the tax.”.

- (l) by deleting Part B of the Third Schedule and substituting the following:

“PART B

SCALE OF SUPPLEMENTAL PETROLEUM TAX RATES

	<i>Marine</i>		<i>Land</i>	
US\$ Prices Between	A	B	C	D
\$0.00-\$15.00	0	0	0	0
\$15.01-\$16.50	7	5	0	0

\$16.51- \$18.00	11	6	4	0
\$18.01- \$19.50	15	10	8	1
\$19.51- \$21.00	19	11	12	2
\$21.01- \$22.50	23	15	16	2
\$22.51- \$24.00	24	15	17	3
\$24.01- \$25.50	25	17	18	3
\$25.51- \$27.00	26	17	19	3
\$27.01- \$28.50	27	18	20	4
\$28.51- \$30.00	28	19	21	4
\$30.01- \$31.50	29	20	22	5
\$31.51- \$33.00	30	21	23	6
\$33.01- \$34.50	31	22	24	7
\$34.51- \$36.00	32	23	25	8
\$36.01- \$37.50	33	24	26	9
\$37.51- \$39.00	34	25	27	10
\$39.01- \$40.50	35	26	28	11
\$40.51- \$42.00	36	27	29	12
\$42.01- \$43.50	37	28	30	13
\$43.51- \$45.00	38	29	31	14
\$45.01- \$46.50	39	30	32	15
\$46.51- \$48.00	40	31	33	16
\$48.01- \$49.50	41	32	34	17
\$49.51 and over	42	33	35	18''

PART IX

FISCAL INCENTIVES

Chap 85:01 12. The Fiscal Incentives Act is amended by inserting after section 25 the amended following new section:

“25A.(1) An approved enterprise is entitled to an allowance for capital expenditure under this Act only where such allowance is claimed in–

- (a) the year of income in which the expenditure was actually incurred; and
- (b) the years immediately following the year of income in which the claim referred to in paragraph (a) was made.

(2) A claim for an allowance under this Act may not be deferred.

PART X

CUSTOMS ACT

Chap. 78:01 13. (1) The Second Schedule to the Customs Act is amended in item amended 6(aa)(5) by deleting the words “\$1,200.00” and substituting the words Second “\$3,000.00”. Schedule

(2) The exemption from customs duty granted on or after October 8, 2004 by an officer of customs in respect of goods not exceeding \$3,000.00 in value which accompany a passenger, shall be deemed to be valid.

PART XI

INCOME TAX (IN AID OF INDUSTRY)

Chap. 85:04 14. The Income Tax (In Aid of Industry) Act is amended- amended

- (a) by deleting section 16B;
- (b) by deleting section 17A and substituting the following:

“17A. (1) For the purposes of section 11 of the Income Tax Act, where on or after January 1,

2003, a person carrying on a production business incurs expenditure on the provision of machinery or plant for the purposes of the trade, there shall be made to him from the financial year in which the expenditure was incurred an allowance of twenty percent calculated on a straight line basis, on the residue of such expenditure after deduction of the initial allowance referred to in section 16(2).

(2) Notwithstanding subsection (1), the provisions of the law existing immediately prior to the commencement of the Finance Act, 2005 shall apply in respect of any unrelieved balance of expenditure for the period ending December 31, 2002.

(c) by deleting section 23A;

(d) in section 24, by deleting the words “for that year” occurring in the eighth line of subsection (1) and substituting the words “in accordance with section 15(1A) of the Petroleum Taxes Act”;

(e) by inserting after section 63 the following new sections:

“63A.(1) A person is entitled to an allowance for capital expenditure under this Act only where such allowance is claimed in—

(a) the year of income in which the expenditure was actually incurred; and

(b) the years immediately following the year of income in which the claim referred to in paragraph (a) was made.

(2) A claim for an allowance for capital expenditure may not be deferred except a claim for an allowance under section 24 which, in accordance with section 15(1A) of the Petroleum Taxes Act can only be claimed from the year following the year in which the expenditure was actually incurred.

(3) Where in a year of income a person has not claimed an allowance to which it is entitled under this Act, the Board shall, for the purpose of computing the residue of expenditure on which the annual allowance will be granted for that year, include an amount equal to the allowance to which the person was entitled in the previous year or years as if the person had in fact claimed the allowance or allowances in the respective years.

63B. (1) Where a person who has ceased to do petroleum business in Trinidad and Tobago has incurred decommissioning or abandonment costs in a year of income and there is insufficient income in that year to set off the total costs of such decommissioning or abandonment, that person may request the Board of Inland Revenue to reopen the returns submitted by him in respect of the financial year immediately preceding the current financial year.

(2) For the purpose of this section, “financial year” has the meaning assigned to it under section 2(1) of the Petroleum Taxes Act.”.

PART XII

SECURITIES INDUSTRY

No. 32 of
1995
amended

15. The Securities Industry Act, 1995 is amended in section 9(1) by deleting the word “five” and substituting the word “seven”.

PART XIII

PENSIONABLE EMOLUMENTS

Chap. 23:52

16. Notwithstanding the provisions of the Pensions Act, allowances paid on or after December 6, 2000 to the holders of the offices of School Supervisor I, School Supervisor II, School Supervisor III, Director of School Supervision and Chief Education Officer pending the transfer of the said offices to the Teaching Service shall be taken into account in determining the emoluments of the holders of these offices for pension purposes.

PART XIV
THE FINANCE ACT, 2004

No. 5 of
2004
amended

17. The Finance Act, 2004 is amended in section 11(a) by inserting after the word “subsection”, the word “35” with effect from 1st January, 2004.

PART XV
GATE FUND

Chap. 69:01
LN. No. 198
of 2001
LN. 329 of
2004

18. All moneys credited to and all charges or liabilities on the Dollar for Dollar Fund established under section 43 of the Exchequer and Audit Act shall be transferred to the Government Assistance for Tuition Expenses Fund established under that section upon the coming into operation of this Act.

PART XVI

Commence-
ment date of
benefits to
certain
regional
institutions

19. The Privileges and Immunities (Caribbean Court of Justice)(CCJ), Regional Judicial and Legal Services Commission (RJLSC) and the Caribbean Court of Justice Trust Fund) Order, 2004 is amended by deleting clause 7 and substituting the following:

“7. Clauses 3, 4, and 5 are deemed to have come into operation on August 22, 2003.”.

PART VII

COMMENCEMENT

Commence-
ment

20. Parts VII, VIII, IX and XI shall be deemed to have come into effect on January 1, 2003.

Passed in the House of Representatives this day of _____, 2005.

Clerk of the House.

I confirm the above.

Speaker.

Passed in the Senate this day of , 2005.

Clerk of the Senate.

I confirm the above.

President of the Senate.