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No. 13 of 2016

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Second Session Eleventh Parliament Republic of  
Trinidad and Tobago

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HOUSE OF REPRESENTATIVES

**BILL**

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

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THE FINANCE (NO. 3) BILL, 2016

**Explanatory Note**

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

This Bill seeks to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters.

PART I

PRELIMINARY

Clause 1 would provide for the short title.

Clause 2 would provide for the commencement of clauses 3, 4 and 5 on 1st January, 2017 instead of the otherwise applicable commencement date (date of assent).

PART II

GOVERNMENT SAVINGS BONDS

Clause 3 would amend the Government Savings Bonds Act, Chap. 71:41 in order to increase the total value of bonds which can be issued by the Minister from three hundred million dollars to two billion dollars and further, to introduce a new type of bond called National Savings Bonds.

PART III

INCOME TAX

Clause 4 would amend the Income Tax Act, Chap. 75:01 in order to increase the revenue base by introducing a two-tier tax rate on chargeable income.

This clause would amend the Third Schedule of the Income Tax Act in order to provide that the rate of tax payable on the chargeable income of a person, other than a company, is twenty-five cents for every dollar up to \$1,000,000 of chargeable income and thirty cents for every dollar that exceeds \$1,000,000 of chargeable income.

PART IV

CORPORATION TAX

Clause 5 would amend the Corporation Tax Act, Chap. 75:02 in order to give effect to certain measures to increase the revenue base by introducing a two-tier tax rate on the chargeable profit of a company.

This clause would amend the First Schedule of the Corporation Tax Act in order to provide that, with the exception of those companies which carry on certain types of business, the rate of corporation tax payable on the profits of a company is twenty-five cents for every dollar up to \$1,000,000 of chargeable profit and thirty cents for every dollar that exceeds \$1,000,000 of chargeable profit.

#### PART V

##### MISCELLANEOUS TAXES

Clause 6 would amend the Miscellaneous Taxes Act, Chap. 77:01 in order to introduce a new tax called the “Online Purchase Tax” as a measure to manage foreign exchange outflows. The online purchase tax would be charged at a rate of 7 per cent on the value of the good (including cost, insurance and freight).

THE FINANCE (NO. 3) BILL, 2016

**Arrangement of Clauses**

*Clause*

1. Short title
2. Commencement
3. Chap. 71:41 amended
4. Chap. 75:01 amended
5. Chap. 75:02 amended
6. Chap. 77:01 amended

# **BILL**

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

*[ , 2016]*

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

## **PART I PRELIMINARY**

**1.** This Act may be cited as the Finance (No. 3) Act, Short title 2016.

Commencement

2. Sections 3, 4 and 5 of this Act come into force on 1st January, 2017.

## PART II

## GOVERNMENT SAVINGS BONDS

Chap. 71:41  
amended

3. The Government Savings Bond Act is amended—

(a) in section 2, by deleting the definition of “bonds” and substituting the following definition:

“ “bonds” means the bonds authorized to be issued under this Act, the types of which are set out in Part A of the Schedule;”;

(b) in section 3(1)(a), by deleting the words “three hundred million dollars (\$300,000,000)” and substituting the words “two billion dollars (\$2,000,000,000)”;

(c) by repealing section 8 and substituting the following section:

<sup>“Regulations</sup> 8. (1) The Minister may make Regulations for the carrying out of the purposes of the Act including—

(a) denomination of bonds;

(b) rates of interest;

(c) methods of encashment;

(d) forms, issue, and recording of such bonds; and

(e) method of holding bonds.

(2) The Regulations prescribed under this Act shall apply in respect of a particular type of bonds in the manner set out in Part B of the Schedule.

(3) The Minister may amend the Schedule to the Act by Regulations.”; and

(d) by inserting the following Schedule:

“SCHEDULE

(Sections 2 and 8)

PART A

TYPES OF BONDS

1. Government Savings Bonds
2. National Tax Free Savings Bonds
3. Tax Free Housing Bonds
4. National Savings Bonds

PART B

REGULATIONS APPLICABLE TO TYPES OF BONDS

<i>Regulations</i>	<i>Type of Bonds</i>
1. Government Savings Bonds Regulations	Government Savings Bonds
2. National Tax Free Savings Bonds Regulations	National Tax Free Savings Bonds
3. Tax Free Housing Bonds Regulations	Tax Free Housing Bonds”.

PART III

INCOME TAX

4. (1) The Income Tax Act is amended in the Third Schedule by deleting paragraph 1 and substituting the following paragraph: <sup>Chap. 75:01 amended</sup>

- “ 1. The rate of tax payable on the chargeable income of a person, other than a company, is—
- (a) twenty-five cents for every dollar up to \$1,000,000 of chargeable income; and

- (b) thirty cents for every dollar that exceeds \$1,000,000 of chargeable income.”.

PART IV  
CORPORATION TAX

Chap. 75:02  
amended

**5.** The Corporation Tax Act is amended in the First Schedule by deleting paragraph 1 and substituting the following paragraph:

“ 1. Subject to paragraphs 2 and 3, the rate of corporation tax payable on the profits of a company, is—

- (a) twenty-five cents for every dollar up to \$1,000,000 of chargeable profit; and  
(b) thirty cents for every dollar that exceeds \$1,000,000 of chargeable profit.”.

PART V  
MISCELLANEOUS TAXES

Chap. 77:01  
amended

**6.** The Miscellaneous Taxes Act is amended by inserting after Part XIV the following Part:

“PART XV  
ONLINE PURCHASE TAX

Online  
purchase  
tax

70. (1) A tax called the online purchase tax shall be charged on the value of a good which is—

- (a) purchased by means of an electronic transaction;  
(b) imported into Trinidad and Tobago by air transportation;  
(c) consigned to a consumer; and  
(d) entered from a transit shed.



(2) The rate of the online purchase tax is seven per cent of the value of a good and is payable by the importer.

(3) In this section—

“consumer” has the meaning assigned to it in section 2 of the Electronic Transactions Act;

Chap. 22:05

“electronic transaction” has the meaning assigned to it in section 2 of the Electronic Transactions Act;

“entered” has the meaning assigned to it in section 2 of the Customs Act;

Chap. 78:01

“importer” has the meaning assigned to it in section 2 of the Customs Act;

“value of a good” means the value determined in accordance with the Sixth Schedule of the Customs Act; and

“transit shed” has the meaning assigned to it in section 2 of the Customs Act.

Tax  
Authority

71. (1) The Tax Authority for the purpose of this Part is the Comptroller of Customs and Excise.

(2) The Comptroller may exercise the powers given for the collection, enforcement and management of duty under the Customs Act and any other written law in respect of the online purchase tax.

Chap. 78:01

President  
may remit  
tax

Chap. 78:01

72. The power of the President to remit Customs Duty under section 9 of the Customs Act shall apply *mutatis mutandis* to online purchase tax.”.



No. 13 of 2016

SECOND SESSION

ELEVENTH PARLIAMENT

REPUBLIC OF

TRINIDAD AND TOBAGO

# BILL

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

Received and read the

First time.....

Second time.....

Third time.....