

# THE FINANCE BILL, 2023

## EXPLANATORY NOTE

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

*Clause 1* of the Bill would provide the short title of the Bill.

*Clause 2* of the Bill seeks to amend the National Insurance Act by repealing section 39C and replacing it with a new section 39C to provide for the waiver of all penalties and interest due and payable under section 39B of the Act in respect of –

- (i) contributions paid prior to 20<sup>th</sup> December, 2023; and
- (ii) outstanding contributions as at 19<sup>th</sup> December, 2023 that are paid during the period 20<sup>th</sup> December, 2023 to 31<sup>st</sup> January, 2024.

*Clause 3* of the Bill seeks to amend section 8(1) of the Income Tax Act to provide a tax exempt one-time lump sum payment of \$4000.00 to persons who retired compulsorily, voluntarily with permission or on the grounds of ill-health during the period 2014 to 2016.

*Clause 4* of the Bill seeks to amend the Corporation Tax Act -

- (i) in section 3A(2) by inserting a new paragraph (h) which seeks to exempt manufacturing companies whose gross receipts fall within the 30% tax bracket from business levy charges in respect of only export sales;
- (ii) by inserting after section 10W, a new section 10X which seeks to introduce a 150% tax allowance of up to \$500,000 on corporate sponsorship to public and private schools registered with the Ministry of Education; and
- (iii) by inserting after section 10X, a new section 10Y which seeks to introduce a Cybersecurity Investment Tax Allowance to companies that incur expenditure in respect of investments made in cybersecurity software and network security monitoring equipment, up to a maximum of \$500,000.

*Clause 5* of the Bill seeks to amend the Petroleum Taxes Act in the Third Schedule –

in Part A –

- (i) by inserting after clause 3B, a new clause 3C which seeks to provide for the tax chargeable in respect of small shallow marine area producers;

- (ii) by defining who qualifies as a “small shallow marine area producer”;
- (iii) in clause 9(1), it seeks to amend the year from 2011 to 2024 as well as to adjust the sustainability incentive regime to 25% from the current 20% discount on the rate of supplemental petroleum tax for small shallow marine area producers; and

in Part B, by inserting a new table for “Small Shallow Marine Area Producers -Scale of Supplemental Petroleum Tax Rates”.

*Clause 6* of the Bill seeks to amend the Property Tax Act –

- (i) in section 33, to allow the Municipal Corporation to collect tax by Order of the Minister as well as to refer the non-payment of tax to the Board for further action in accordance with the provisions of Part V of the Property Tax Act;
- (ii) in section 34, to streamline the dates in relation to payment of Property Tax, issuance of a Notice of non-payment, default for payment of Property Tax and imposition of Property Tax; and
- (iii) in section 52A, to further waive Property Tax for the period 1<sup>st</sup> October, 2017 to 31<sup>st</sup> December, 2023.

*Clause 7* of the Bill seeks to amend the Public Procurement and Disposal of Public Property Act by amending section 58A to include “goods, services and works up to one million dollars” as opposed to “goods and services up to one million dollars.

*Clause 8* of the Bill seeks to provide for the commencement of the Act.

# **THE FINANCE BILL, 2023**

## **ARRANGEMENT OF CLAUSES**

### *Clause*

1. Short title
2. Chap. 32:01 amended
3. Chap. 75:01 amended
4. Chap. 75:02 amended
5. Chap. 75:04 amended
6. Chap. 76:04 amended
7. Act No. 1 of 2015 amended
8. Commencement

**BILL**

An Act to make provisions of a financial nature and other related matters

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

Short title **1.** This Act may be cited as the Finance Act, 2023.

Chap. 32:01 amended **2.** The National Insurance Act is amended by repealing section 39C and substituting the following section:

“Waiver of penalty and interest

39C. (1) Notwithstanding any written law to the contrary, there is a waiver of all penalties and interest due and payable under section 39B in respect of –

- (a) any contribution paid by an employer under this Act prior to 20th December, 2023; and
- (b) any contribution outstanding as at 19th December, 2023, by an employer under this Act, where the contribution is paid during the period 20th December, 2023 to 31st January, 2024.

(2) The waiver under subsection (1) applies to an employer who was registered with the Board prior to 20th December, 2023.

(3) The waiver under subsection (1) does not affect the obligation of an employer to pay contributions in accordance with section 38.

(4) Where an employer fails to pay his outstanding contributions by 31st January, 2024, the penalties and interest which would have been payable in respect of the failure to pay the contributions shall be revived and become payable as if the waiver under subsection (1) had not been granted.

(5) The Minister may, by Order, prescribe a later date for the payment of contributions under subsection (1).”.

Chap. 75:01 amended **3.** The Income Tax Act is amended in section 8 (1) by inserting after paragraph (ab), the following paragraph:

“(ac) a one- time lump sum payment in the sum of four thousand dollars to persons who retired compulsorily, voluntarily with permission or on the grounds of ill-health, for the period 2014 to 2016.”.

4. The Corporation Tax Act is amended—

- (a) in section 3A (2) by inserting after paragraph (g), the following paragraph:

“(h) manufacturing companies whose gross sales or receipts fall within the rate of corporation tax as stated in the first paragraph to the First Schedule in respect of export sales only.”;

- (b) by inserting after section 10W, the following sections:

“Corporate  
sponsorship  
allowance-  
Public and  
private schools

10X. (1) Where in a year of income commencing from 1st January 2024, a company incurs expenditure in the enhancement and promotion of education through corporate sponsorship to public or private schools registered with the Ministry of Education, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance equal to one hundred and fifty percent of the actual expenditure incurred, up to a maximum of five hundred thousand dollars.

(2) The expenditure referred to in subsection (1) shall be certified by the principal or most senior administrator of the public or private school, as the case may be.

Cybersecurity  
investment tax  
allowance

10Y. (1) Where for each year of income commencing on 1st January 2024 until 31st December, 2025, a company incurs expenditure from investments made in cybersecurity software and network security monitoring equipment, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for those two years of income, an allowance up to a maximum of five hundred thousand dollars.

(2) Notwithstanding subsection (1), any expenditure incurred by a company in procuring for its own use cybersecurity software and network security monitoring equipment shall be certified by iGovTT.”.

5. The Petroleum Taxes Act is amended in the Third Schedule—

- (a) in Part A, by inserting after clause 3B, the following clause:

“Small Shallow Marine Area Producer

3C. (1) The tax chargeable in respect of small shallow marine area producers is hereby computed and fixed as follows:

- (a) where the weighted average crude oil price is U.S. \$75.00 per barrel or less, no tax is chargeable;
- (b) where the weighted average crude oil price is between U.S. \$75.01 and U.S. \$90.00 per barrel, the tax is chargeable at the rates set out in the Small Shallow Marine Area Producers-Scale of Supplemental Petroleum Tax Rates in Part B; and
- (c) where the weighted average crude oil price is between U.S. \$90.01 and U.S. \$200.00 per barrel, the tax is chargeable at rates based on the following sliding scale:

SPT rate = base SPT rate + 0.2% (P – U.S. \$90.00)

Base SPT rate = 18%

SPT = supplemental petroleum tax

P = weighted average crude oil price in USD;

(2) For the purposes of subclause (1), “small shallow marine area producer” means a person who carries out petroleum operations in shallow marine areas under a licence, sub-licence or contract and produces less than four thousand barrels of crude oil per day.”;

- (b) in Part A, in clause 9(1), by-

- (i) deleting the word “2011” and substituting the word “2024”; and
- (ii) deleting the words “twenty per cent” and substituting the words “twenty-five per cent”;

- (c) in Part B, by inserting the following table:

**“SMALL SHALLOW MARINE AREA PRODUCERS –  
SCALE OF SUPPLEMENTAL PETROLEUM TAX RATES**

<i>PRICE U.S. \$ Between</i>	<i>RATE %</i>
\$            \$	
75.00	0
75.01 and 90.00	18
90.01 and 200.00	SPT rate = Base SPT rate + 0.2% (P – \$90.00)
200.01 and over	40”.

Chap. 76:04  
amended

**6. The Property Tax Act is amended –**

(a) in section 33 by-

- (i) inserting after the word “33” the word “(1)”;
- (ii) deleting the words “or before”; and
- (iii) inserting after subsection (1), the following subsections:

“(2) Before the coming into force of section 10 of the Miscellaneous Provisions (Local Government Reform) Act, 2022, the Minister may, by Order, subject to negative resolution of Parliament, authorise a Municipal Corporation to collect tax and to refer the non-payment of any tax to the Board; and

(3) A Municipal Corporation shall notify the Board of the names, addresses and unique identifiers of the owners of land and the amount of tax not paid at 30<sup>th</sup> September every year.”;

(b) in section 34 –

- (i) in subsection (1), by deleting the words “15th March in the following year, the Board shall” and substituting the words “30th September every year, the Board shall, acting on its own records or upon notification given by a Municipal Corporation under section 33(3)”;
- (ii) in subsection (3), by deleting the words “15th March in the following year” and substituting the words “30th September in every year”; and

(iii) in subsection (3)(b), by deleting the words “16th March” and substituting the words “1st October.”;

(c) in section 52A, by deleting the words “30th September 2017” and substituting the words “31st December, 2023”.

Act No. 1 of 2015  
amended

**7.** The Public Procurement and Disposal of Public Property Act is amended in section 58A by deleting the words “goods and services” and substituting the words “goods, services and works”.

Commencement

**8.** (1) Section 2 of this Act shall come into force on 20th December 2023.

(2) Sections 4, 5 and 6 of this Act shall come into force on 1st January 2024.

Passed in the House of Representatives this            day of            , 2023.

*Clerk of the House*

I confirm the above and certify that this is a Money Bill.

*Speaker*

Passed by the Senate this            day of            , 2023.

*Clerk of the Senate*

I confirm the above.

*President of the Senate*