



THE PARLIAMENT OF
TRINIDAD AND TOBAGO

BILL ESSENTIALS

Date Introduced: 13th December 2023

House: House of Representatives

Minister: The Minister of Finance

HOR Bill No: 4 of 2023

Links: The links to the Bill, and its progress can be found on the Bill's home page through the Parliament's Website:

www.ttparliament.org/publications

BILL ESSENTIALS

BILL ESSENTIALS NO. 4 of 2023-2024

4th SESSION, 12th PARLIAMENT







Finance Bill, 2023

Table of Contents

BACKGROUND	1
KEY FEATURES OF THE BILL	1
NATIONAL INSURANCE ACT, CHAP 32:01	1
Waiver of Penalties and Interests.....	1
INCOME TAX ACT, CHAP 75:01	2
Exemptions from Income Tax	2
CORPORATION TAX ACT, CHAP 75:02	2
Exemptions from Business Levy Charges.....	2
Tax Allowance for expenditure incurred for the enhancement and promotion of education	2
Tax Allowance for expenditure incurred for cybersecurity software and network security monitoring equipment	2
PETROLEUM TAXES ACT, CHAP 75:04	2
Tax chargeable for Small Shallow Marine Area Producers	3
Tax Chargeable for any mature marine oil field or small marine oil field	3
Small Shallow Marine Area Producers – Scale of Supplemental Petroleum Tax Rates	3
PROPERTY TAX ACT, CHAP 76:04	4
Deadline for Payment of Taxes.....	4
Notice of Penalties for Non-payment of Taxes and Interests.....	4
Rates of Interest for Unpaid Taxes	4
Waiver of Property Tax.....	4
PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC PROPERTY ACT 2015	4
Exemptions on Goods, Services and Works	4
REFERENCES	5

www.ttparliament.org/publications

BACKGROUND

1. The **Finance Bill, 2023** (hereinafter referred to as the “**Bill**”) was introduced in the House of Representatives by the Honourable Minister of Finance on December 13, 2023 and seeks to provide for the variation of duties and taxes and to introduce provisions of a fiscal nature. The Bill provides for the amendment of six (6) pieces of legislation, namely the:-
 -  **National Insurance Act, Chap 32:01**¹;
 -  **Income Tax Act, Chap 75:01**²;
 -  **Corporation Tax Act, Chap 75:02**³;
 -  **Petroleum Taxes Act, Chap 75:04**⁴;
 -  **Property Tax Act, Chap 76:04**⁵; and
 -  **Public Procurement and Disposal of Public Property Act, 2015**⁶.
2. Clauses 3 and 7 of the Bill will come into effect upon assent. Clause 2 of the Bill will come into effect on December 20, 2023 and Clauses 4, 5 and 6 of the Bill will come into effect on January 1, 2024.

KEY FEATURES OF THE BILL

National Insurance Act, Chap 32:01

Waiver of Penalties and Interests

3. **Clause 2 of the Bill** repeals Section 39C of the National Insurance Act and substitutes a new Section 39C. The effect of this amendment is to provide for the waiver of penalties and interests payable⁷ under section 39B for any contribution paid by an employer before December 20, 2023 and any contribution outstanding as at December 19, 2023 that is paid during the period December 20, 2023 to January 31, 2024. Contributions not paid within the waiver period shall be reintroduced as if a waiver were not granted.
4. This waiver applies to an employer who was registered with the National Insurance Board prior to December 20, 2023, and does not affect the obligation of an employer to pay contributions for employees between the ages of 16 and 65 years.

¹ https://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/32.01.pdf

² https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/75.01.pdf

³ https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/75.02.pdf

⁴ https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/75.04.pdf

⁵ https://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/76.04.pdf

⁶ <https://www.ttparliament.org/wp-content/uploads/2022/01/a2015-01.pdf>

Income Tax Act, Chap 75:01

Exemptions from Income Tax

5. **Clause 3 of the Bill** amends Section 8(1) of the Income Tax Act by inserting a new subsection (ac) after the existing **subsection** (ab). The insertion allows persons who retired compulsorily or voluntary with permission or due to ill-health, for the period 2014-2016, to receive a tax exempt one-time lump sum payment of four thousand dollars (\$4,000.00).

Corporation Tax Act, Chap 75:02

Exemptions from Business Levy Charges

6. **Clause 4(a) of the Bill** amends Section 3A (2) of the Corporation Tax Act by inserting paragraph (h) after the existing paragraph (g). The new paragraph (h) exempts manufacturing companies with gross export sales or receipts that fall within the corporation tax rate as stated in the first paragraph to the First Schedule⁸ from business levy charges.
7. **Clause 4(b) of the Bill** amends Section 10 of the Corporation Tax Act, by inserting Sections 10X and 10Y after the existing Section 10W.

Tax Allowance for expenditure incurred for the enhancement and promotion of education

8. The new Section 10X provides an allowance equal to one hundred and fifty percent (150%) of the actual expenditure incurred, up to a maximum of five hundred thousand dollars (\$500,000.00) on the chargeable profits of a company for that year of income, for companies that incur expenditure in the enhancement and promotion of education, through corporate sponsorship, to public or private schools registered with the Ministry of Education.

Tax Allowance for expenditure incurred for cybersecurity software and network security monitoring equipment

9. The new Section 10Y provides an allowance up to a maximum of five hundred thousand dollars (\$500,000.00) on the chargeable profits of a company for that year of income for companies that incur expenditure from investments made in cybersecurity software and network security monitoring equipment.


Petroleum Taxes Act, Chap 75:04


10. **Clause 5 of the Bill** amends Parts A and B of the Third Schedule of the Petroleum Tax Act-Rates of Supplemental Petroleum Tax.


⁸ The First schedule prescribes that the corporation tax payable on the profits of a company shall be twenty-five percent for every dollar up to one million dollars and thirty cents on every dollar exceeding one million dollars. Both being applicable to a company's chargeable profit.

Tax chargeable for Small Shallow Marine Area Producers

11. **Clause 5(a) of the Bill** inserts a **new paragraph 3C** after the existing Paragraph 3B in Part A of the Rates of Supplemental Petroleum Tax which provides that taxes chargeable to small shallow marine area producers⁹ is computed as follows:

 where the weighted average crude oil price is U.S. \$75.00 per barrel or less – **no tax is chargeable**;

 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** (Part B - Scale of Supplemental Petroleum Tax Rates);

 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:-**

$$(SPT) \text{ rate} = \text{base SPT rate} + 0.2\% (P - \text{U.S. } \$90.00)$$

$$\text{Supplemental Petroleum Tax rate} = 18\% + 0.2\% (\text{weighted average crude oil price in USD} - \text{U.S. } \$90.00)$$

Tax Chargeable for any mature marine oil field or small marine oil field

12. **Clause 5(b) of the Bill** amends Paragraph 9(1) in Part A of the Rates of Supplemental Petroleum Tax to provide an increase in the rate of supplemental petroleum tax for any mature marine oil field or small marine oil field from twenty per cent (20%) to twenty-five per cent (25%) from January 1, 2024.

Small Shallow Marine Area Producers – Scale of Supplemental Petroleum Tax Rates

13. **Clause 5(c) of the Bill** amends Part B of the Rates of Supplemental Petroleum Tax, by proposing to insert the following **table**:-

PRICE U.S. \$ Between	RATE %
\$ 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''.

⁹ “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.

Property Tax Act, Chap 76:04

Deadline for Payment of Taxes

14. **Clause 6(a) of the Bill** amends Section 33 of the Property Tax Act, by renumbering the section as Section 33(1) and providing for property taxes to be paid on March 31 in every year.
15. **Clause 6(a) of the Bill** further amends Section 33(1), by inserting new subsections (2) and (3), after the existing subsection (1).
16. The new subsections (2) and (3) allows the Minister, by an Order subject to negative resolution, to authorise Municipal Corporations to collect taxes and refer the non-payment of any taxes to the Board of Inland Revenue before the coming into force of section 10 of the Miscellaneous Provisions (Local Government Reform) Act, 2022¹⁰. Municipal Corporations will also be empowered to notify the Board of the name, addresses and unique identifiers of land owners and the taxes not paid by the prescribed date.

Notice of Penalties for Non-payment of Taxes and Interests

17. **Clause 6(b) of the Bill** amends Section 34(1) and (3) of the Property Tax Act by changing the date that the Board of Inland Revenue issues the notices of penalties from “March 15 in the following year” to “September 30 of every year”.
18. The means that where any amount of tax is not paid on or before September 30, the Board shall send a Notice of non-payment to the owner of the land notifying him of his non-payment of the taxes, the interest due and the liability of his land to be distrained against or forfeited if the amount due is not paid.

Rates of Interest for Unpaid Taxes

19. **Clause 6(b) of the Bill** also amends Section 34(3)(b) to provide that a fifteen percent (15%) interest rate would be applied to the unpaid taxes, from October 1 to the date of payment.

Waiver of Property Tax

20. **Clause 6(c) of the Bill** further amends Section 52A of the Property Tax Act to provide for the waiver of property tax for the period January 1, 2010 to December 31, 2023.

Public Procurement and Disposal of Public Property Act 2015

Exemptions on Goods, Services and Works

21. **Clause 7 of the Bill** amends Section 58A of the Public Procurement and Disposal of Public Property Act by deleting the words “**goods** and services” and substituting it with the words “goods, services and works”. The amendment allows for contracts of goods, services and works up to one million dollars (\$1,000,000.00) to be exempt from procurement requirements.

¹⁰ <https://www.ttparliament.org/wp-content/uploads/2020/11/a2022-11.pdf>

REFERENCES

KEY LEGISLATION

- **Corporation Tax Act, Chap 75:02**
https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/75.02.pdf
- **Income Tax Act, Chap 75:01**
https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/75.01.pdf
- **Miscellaneous Provisions (Local Government Reform) Act, 2022**
<https://www.ttparliament.org/wp-content/uploads/2020/11/a2022-11.pdf>
- **National Insurance Act, Chap 32:01**
https://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/32.01.pdf
- **Petroleum Taxes Act, Chap 75:04**
https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/75.04.pdf
- **Property Tax Act, Chap 76:04**
https://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/76.04.pdf
- **Property Tax (Amendment) Act, 2018**
<https://www.ttparliament.org/wp-content/uploads/2022/01/a2018-06g.pdf>
- **Public Procurement and Disposal Of Public Property Act, 2015**
<https://www.ttparliament.org/wp-content/uploads/2022/01/a2015-01.pdf>



Legal Unit

Parliament Secretariat
Parliamentary Complex, Cabildo Building,
No. 23-27 St. Vincent Street, Port-of-Spain

December 13, 2023

Disclaimer: Bills Essentials are prepared to support the work of the Members of the Parliament of Trinidad and Tobago and is not intended to address the specific circumstances of any particular individual. They are produced under time and resource constraints and aim to be available in time for debate in the Houses.

The views expressed in Bill Essentials do not reflect an official position of the Legal Unit, nor do they constitute professional legal advice. Bill Essentials reflect the relevant legislation as introduced and do not canvass subsequent amendments or developments. To determine the official status of the Bill or follow its progress click here: <http://www.ttparliament.org/publications>.