



Tax News Flash

Finance Act No. 14

of 2025

January 2026

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It is our intention in this Bulletin to highlight key tax provisions that we believe may be of interest to you and your business, as well as offer our perspective as to how they are likely to operate in practice.

In turn it is hoped that our comments serve as a catalyst for you to consider how these measures will affect you and your business operations.

In this Bulletin we cover amendments made in the Finance Act, 2025 to the following :-

- Income Tax Act
- Corporation Tax Act
- Miscellaneous Taxes Act

Based on the 2026 Budget, there are no updates on the following proposed fiscal measures:

- Reforming Transfer Pricing Legislation
- Review of the VAT system and introduction of a Sales Tax
- Removal of tax on Private Pensions

Commencement date:

- By virtue of Section 23 of the Finance Act the amendments in relation to the Income Tax Act, the Corporation Tax Act and the Miscellaneous Taxes Act are effective January 1, 2026.

Finance Act, 2025

INCOME TAX ACT

The Finance Act, 2025 provides for the following amendments to the Income Tax Act, which are effective January 1, 2026: -

Various provisions for the constitution of the Board of Inland Revenue including the following:-

- Make-up of the Board
- Appointment of the Chairman
- Meetings of the Board
- Appointment of Committees
- Minutes of meetings
- Presentation of an Annual Report to the Minister

Deduction for Contributions to registered animal shelters (Section 18C.)

Section 18 of the Income Tax Act is now amended to allow for a deduction, in ascertaining an individual's chargeable income, for contributions made to a registered animal shelter.

The deduction shall not exceed the lower of:

- a) 20% of the total income of the individual for the year of income; or
- b) TT\$20,000.

CORPORATION TAX ACT

The Corporation Tax Act is amended by including section 10Z which provides for a deduction for contributions to registered animal shelters, as follows:-

- A Company will be entitled to deduct the amount of such contribution in ascertaining its chargeable profits for the respective year of income commencing January 1, 2026.
- The deduction shall not exceed the lower of:-
 - 15% of chargeable profits of the Company for the year of income; or
 - TT\$100,000.



Finance Act, 2025

THE MISCELLANEOUS TAXES ACT

(a) COMMERCIAL ASSET LEVY

- **Summary of the Levy**

A Tax to be paid to the Board of Inland Revenue (“BIR”) known as a “Commercial Asset Levy”.

- **Who does it apply to**

Licensed financial institutions and local insurers.

Where a “**Licensed financial institution**” is defined as a financial institution licensed under section 16 of the Financial Institutions Act;

Where a “**Local Insurer**” means a local company registered to carry on insurance business in T&T. Further, Insurance business is defined to mean the business in relation to the—

(a) issue of a contract of insurance; or
(b) undertaking of liability under a contract of insurance,
but does not include self-insurance or exempted incidental insurance.

- **Computation of the Levy**

A tax at the rate of 0.25% on the total assets of the financial institution and local insurer.

Total Assets = total assets net of provisions made for loan losses and taxation recoverables owed by the State, in accordance with internationally recognised accounting standards, principles and practices

Quarterly instalments calculated on either:-

- (a) An estimate of the gross assets of the current year; or
- (b) The actual gross assets for the previous year based on audited financial statements whichever is the greater sum.

Where the estimate of the gross assets of the current year is lower, the licensed financial institution / local insurer may apply to the BIR to reduce its quarterly instalments.

Where the BIR is satisfied that a financial institution / local insurer is unable to determine, by the quarterly due date, the gross assets, the company may, with the approval of the BIR estimate its gross assets.

Where a financial institution / local insurer estimates its gross assets in a quarter and determines that its gross assets are more than the estimated gross assets, that financial institution / local insurer shall pay the Commercial Asset Levy due on the difference between the actual gross assets and the estimated gross assets, no later than the last day of the quarter following the quarter in which the gross assets were estimated.

Where a financial institution / local insurer pays the Commercial Asset Levy in any quarter amounting to less than 90% of the Commercial Asset levy liability for that quarter, the difference between 90% of the Levy liability and the amount paid by the end of the quarter in which the levy liability arose, shall be subject to interest from the day following the end of that quarter to the date of payment at the rate of 15% per annum.

In ascertaining the chargeable profits of a financial institution / local insurer, no deduction shall be made of, or on account of the Commercial Asset Levy.

- **Due Dates**

Commencing January 1, 2026.

Due quarterly in advance on 31st March, 30th June 30th September and 31st December in each year of income.

Finance Act, 2025

THE MISCELLANEOUS TAXES ACT (Cont'd)

(a) COMMERCIAL ASSET LEVY (Cont'd)

Any balance outstanding is payable on or before 30th April of the following year on such form and manner as approved by the BIR.

As at the date of writing, the BIR has not issued any form / return for the payment of this levy.

- **Penalties / Interest for non-compliance**

Failure, neglect or refusal to file a return after 6 months from April 30th of the following year, will result in the licensed financial insurer / local insurer being liable to a penalty of TT\$1,000 for every 6 months or part thereof during which the failure, neglect or refusal continues.

Interest for non-payment of the Levy is 15% a year.

The BIR may rely on information provided by the Central Bank of T&T in order to assess the Commercial Asset Levy payable in cases where the licensed financial institution or local insurer fails to pay the levy.

(b) LANDLORD BUSINESS SURCHARGE

- **Summary of the Surcharge**

A Tax to be paid to the BIR known as the "Landlord Business Surcharge".

- **Who does it apply to**

Landlords who propose to let out premises shall register the premises with the BIR, complete the prescribed registration form and pay a one-time registration fee of TT\$2,500.

Where, Landlord is defined as any person who is in receipt of rents and includes an agent of such person.

As of the date of writing, the registration form has not been published by the BIR.

Premises means premises of every description and includes buildings and structures whether or not attached to the soil together with the curtilage thereof.

- **Computation of the Surcharge**

- 2.5% of the gross quarterly rental income where the gross quarterly rental income is TT\$20,000 or less.
- 3.5% of the gross quarterly rental income where the gross quarterly rental income is TT\$20,000 or more.

- **Due Dates**

Landlords must register the premises by March 31st 2026

The Landlord Business Surcharge is due quarterly on 30th April for the 1st quarter, 31st July for the 2nd quarter, 31st October for the 3rd quarter and 31st January in the next year for the 4th quarter, following the last quarter.

Every payment of the Surcharge shall be accompanied by a Return as approved by the BIR. As of the date of writing, the BIR has not published the Return.

- **Penalties / Interest for non-compliance**

A landlord who fails, neglects, or refuses to file a return within 6 months from the required time is liable to a penalty of TT\$100 for every 6 months or part thereof during which the failure continues.

If the Landlord Business Surcharge is not paid by the prescribed date, a sum of 5% of the Surcharge payable will be added thereto.

Finance Act, 2025

THE MISCELLANEOUS TAXES ACT (Cont'd)

b) LANDLORD BUSINESS SURCHARGE (cont'd)

A landlord is liable to pay interest at 15% per annum for non-payment of the Landlord Business Surcharge.

Any person who –

- a) receives rent in respect of premises that are not registered;
- b) knowingly supplies false information to the BIR that he is required to provide;
- c) contravenes or fails to register the premises; or
- d) fraudulently acts in collusion with another person to avoid the operation of registering with the BIR,

commits an offence and is liable on summary conviction to a fine of TT\$250,000 and to imprisonment for 3 years.

Exemptions

The landlord business surcharge shall not be charged in respect of:

- the State
- a State-controlled enterprise
- a hotel that is subject to the hotel accommodation tax
- an ecclesiastical, charitable or educational institution of a public character, approved by the President
- any other person or entity as specified by the Minister of Finance

(c) ELECTRICITY SURCHARGE

Summary of the Surcharge

A Tax known as an Electricity Surcharge shall be charged to commercial and industrial consumers. The Surcharge is payable to the Trinidad and Tobago Electricity Commission ("T&TEC").

T&TEC shall pay to the BIR the total surcharge collected.

Who does it apply to

Commercial Consumer – being a person paying the commercial rate for the supply of electrical energy in accordance with the Trinidad and Tobago Electricity Commission Act and the Regulated Industries Commission Act.

Industrial Consumer - being a person paying the industrial rate for the supply of electrical energy in accordance with the Trinidad and Tobago Electricity Commission Act and the Regulated Industries Commission Act.

Exemptions

The Electricity Surcharge will not be charged on the supply of electrical energy to the following:-

- Schools
- Health care facilities
- For public purposes; and
- To such other institutions or for such other purposes as the Minister may by Order prescribe.

Computation of the Surcharge

The Electricity Surcharge shall be charged at the rate of 5 cents per kilowatt of energy consumed.

Finance Act, 2025

THE MISCELLANEOUS TAXES ACT (Cont'd)

(d) SINGLE USE PLASTICS TAX

• Summary of the Tax

A Tax known as the Single Use Plastics shall be charged on single use plastics imported into T&T.

• Computation of the Tax

The Single Use Plastics Tax will be applied on the cost, insurance and freight (C.I.F.) value of the items in the First and Second Column and at the rate specified in the Third column of the Eleventh Schedule ([see table below](#)).

FIRST COLUMN	SECOND COLUMN	THIRD COLUMN
<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
39.23	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics.	
Ex 3923.90.90	PET Preforms	5%
Ex 3923.21.00	Single use plastic bags	5%
Ex 3923.29.00	Single use plastic bags	5%
Ex 3923.10.00	Single use food Packaging	5%
Ex 3923.21.00	Single use food Packaging	5%
Ex 3923.29.00	Single use food Packaging	5%
Ex 3923.40.00	Single use food Packaging	5%
Ex 3923.30.00	Single use food Packaging	5%
Ex 3923.50.00	Single use food packaging	5%
Ex 3923.90.90	Single use food Packaging	5%
39.24	Tableware, Kitchenware, other household articles and hygienic or toilet articles, of plastics	
Ex 3924.10.00	Single use cutlery	5%



We hope our comments are of assistance to you however should you need to discuss further please contact anyone of our tax team (using the details alongside), any of our Partners, or your usual service contact at KPMG.

Contact us



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