



Tax Bulletin Finance Act, 2022

November 25, 2022

Finance Act, 2022

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 will cover amendments made in the Finance Act, 2022 to the following Acts:

1. **Income Tax Act Chap. 75:01**
2. **Value Added Tax Act Chap. 75:06**
3. **Valuation of Land Act Chap 58:03**

TAX AMNESTY

The Finance Act, 2022 provides for a tax amnesty whereby prescribed penalties and interest would be waived if the tax is paid or return is filed during the Amnesty Prescribed Period of November 14, 2022 to February 17, 2023 or such later date as the Minister prescribes.

A summary of the taxes covered and further details are hereunder:



Taxes Covered:

- Income Tax
- Business levy
- Withholding Tax
- Corporation Tax
- Value Added Tax
- Stamp Duty
- Property Tax



Tax Periods Covered:

Income years up to 31 December 2021

Waiver of Penalty and Interest



- Where tax outstanding is settled within the amnesty prescribed period any associated penalties and interest will be waived
- Where the tax return is filed within the amnesty prescribed period the associated penalties will be waived
- Where the tax has been paid or the return filed prior to the amnesty period, interest and penalties will be waived.

Note the amnesty does not cover penalty and interest PAID prior to November 14, 2022

Amnesty Prescribed Period

November 14, 2022 to February 17, 2023



Where the taxes covered or return remains outstanding after the amnesty prescribed period, that is after February 17, 2023, interest and penalty that would have been payable are revived as if the waiver had not been granted.

Finance Act, 2022

Other Amendments

The Finance Act, 2022 (Finance Act) provides, *inter alia*, for the following amendments which are effective January 1, 2023: -

- An increase in the personal income tax allowance from TT \$84,000 to TT \$90,000 per annum.
- An increase in the threshold for Value Added Tax Registration from TT \$500,000 to TT \$600,000.

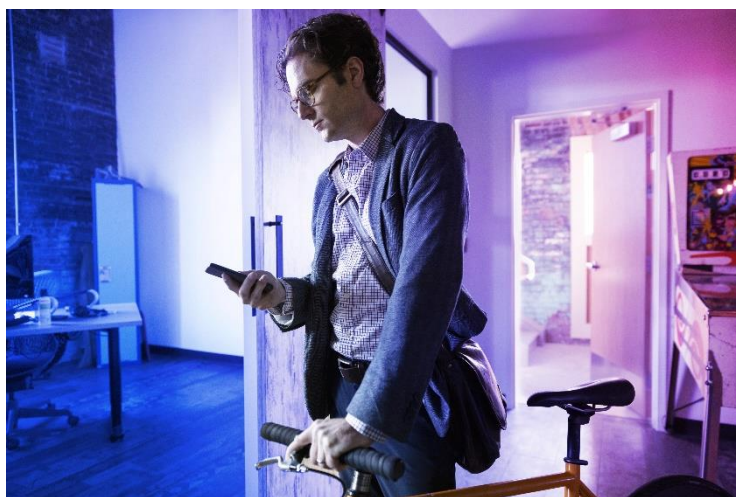
1. Income Tax Act

- **Section 8(a) of the Finance Act**
- **Increase in personal income tax allowance**

Section 18 of the Income Tax Act is now amended to increase the individual personal income tax allowance from TT \$84,000 to TT \$90,000 per annum.

KPMG's Commentary

The increase in the individual personal allowance is a commendable and much needed measure in light of the increasing cost of living. We anticipate that this measure may bring a degree of financial relief to lower income households by increasing their disposable income and offsetting the escalating costs of living.



2. Value Added Tax Act



- **Section 9(a) of the Finance Act**
- **Increase in threshold required for Value Added Tax Registration**

Section 21 and 22 of the Value Added Tax Act which deals with commercial supplies being made without registration is now amended to provide for an increase in the required value of commercial supply from TT \$500,000 to TT \$600,000.

KPMG's Commentary

This would remove smaller businesses from the VAT system and reallocate administrative resources to larger VAT registered companies. It is not clear whether existing VAT registered businesses who fall below the increased threshold would be required to deregister from the VAT system.

3. Valuation of Land Act

- **Section 6 of the Finance Act**
- **Requires additional entities to furnish information upon request by and to the Commissioner of Valuations.**

Section 14 of the Valuation of Land Act is now repealed and the section substituted to permit the Commissioner of Valuations to request information which he or she requires and within a time frame as approved by them from the following entities: -

- a. the Board of Inland Revenue;
- b. the Registrar General;
- c. the Registrar of the Supreme Court;
- d. an officer employed in or in connection with a department of Government, other than the department concerned with the administration of the Income Tax Act;
- e. the Trinidad and Tobago Postal Corporation established under the Trinidad and Tobago Postal Corporation Act;
- f. the Water and Sewerage Authority established under the Water and Sewerage Act;
- g. the Trinidad and Tobago Electricity Commission established under the Trinidad and Tobago Electricity Commission Act; or
- h. an officer employed by or in connection with an entity listed in paragraph (e), (f) or (g)

KPMG's Commentary

We are of the view that this provision would increase the powers granted to the Commissioner of Valuations by enabling greater access to supplementary information from several government agencies when ascertaining the value of lands under the Act.

Since the Finance Act does not specifically state when this section comes into effect, it is deemed to be effective on the date the Finance Act was assented to which is November 14, 2022.



4. Commencement Dates

By virtue of Section 13 of the Finance Act the amendments in relation to the Income Tax Act and Value Added Tax Act mentioned above are effective **January 1, 2023**.

The amendment to the Valuation of Land Act was effective November 14, 2022.

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.

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