



Income Year 2022 Fourth Quarter Tax Reminder

December 2022



December 2022 Tax Instalment

In this issue:

Our quarterly tax newsletter outlines the following:-

- your obligations for filing and payment of taxes and/or levies for the fourth quarter of income year 2022 ;
- Filing obligations with the companies registry;
- Reminders on amendments to Finance (No. 2) Act, 2021
- Tax Amnesty



Petroleum Profits Tax & Unemployment Levy

Companies engaged in petroleum operations are required to pay fourth quarter petroleum profits tax instalment for income year 2022 and unemployment levy instalment on or before December 31, 2022.

The quarterly tax instalments for income year 2022 are based on the taxable profits for the current financial year.

Corporation Tax

Fourth quarter corporation tax instalment for income year 2022 is due on or before December 31, 2022.

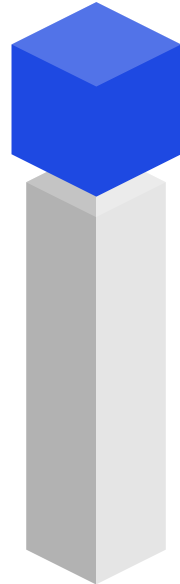
Where your estimated chargeable income for income year 2022 is expected to exceed your chargeable income for income year 2021 you are required to pay the total tax liability based on your chargeable income for income year 2021 in addition to 80% of the increase in your liability for income year 2022. This increase must be paid by December 31, 2022.

Where your estimated chargeable income for income year 2022 is expected to be less than that for income year 2021, you are required to obtain approval from the Board of Inland Revenue (“BIR”) to reduce your quarterly instalments for income year 2022. We can assist with such applications to the BIR.

Self-Employed persons

Fourth quarter income tax instalment for income year 2022 is due on or before December 31, 2022. Any final balance due for income year 2022 can be paid when filing your income tax return in April 2023.

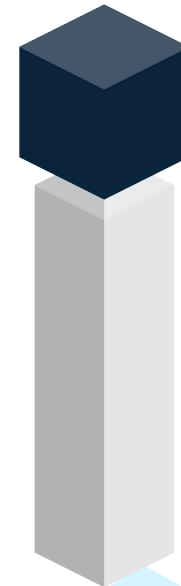
Reminders



Business Levy

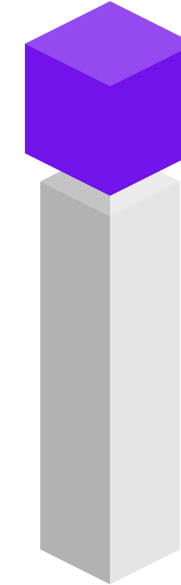
Fourth quarter payment of business levy is due on December 31, 2022. The rate is 0.6% on gross sales or receipts of the fourth quarter.

It is only required to be paid where it exceeds your corporation tax liability.



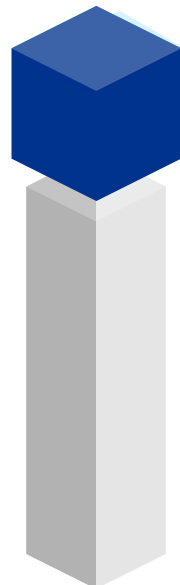
Green Fund Levy

Fourth quarter payment of green fund levy is due December 31, 2022. The rate is 0.3% on gross sales or receipts of the quarter ended 31 December 2022.



PAYE

PAYE must be remitted to the BIR by the 15th of the following month.



Income Tax Returns; Petroleum Tax Returns and Corporation Tax Return Filings

The due date for filing tax returns for income year 2021 was April 30, 2022 with an automatic extension given to October 31, 2022. Currently, the Finance Act, 2022 provides for a tax amnesty whereby penalties would be waived if the return is filed on or before February 17, 2023 in relation to Individual and Corporation tax returns.

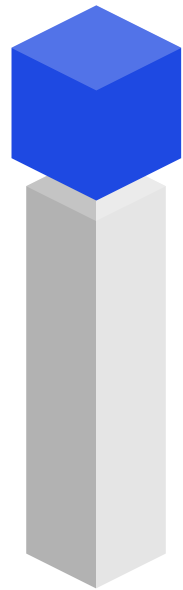
In relation to Petroleum tax returns for income year 2021, these ought to have been filed by April 30, 2022 and an automatic extension for filing was granted under legislation to October 31, 2022. Thereafter, a late filing penalty of \$1,000 is imposed for every 6 months or part thereof that the return remains outstanding.



Tax Amnesty reminder

- The Finance Act, 2022 provides for a tax amnesty whereby penalties and interest would be waived if the principal amount of the tax is paid or return is filed during the period November 14, 2022 to February 17, 2023 or such later date as the Minister prescribes. The taxes covered relate to Income Tax, Business levy, Withholding Tax, Corporation Tax, Value Added Tax, Stamp Duty and Property Tax.
- Please see our Tax Amnesty Bulletin for more information.

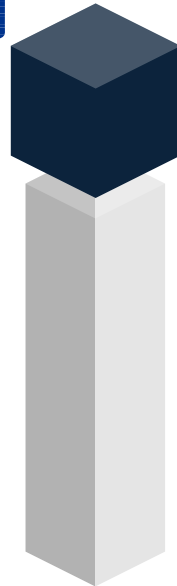
Reminders – effective January 1, 2022



Research & Development

A research and development allowance equal to 40% of actual expenditure on research and development, up to a maximum of TT\$3 million

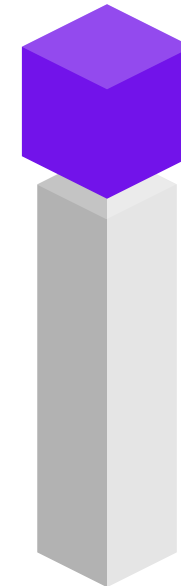
“research and development” is defined as a process intended to create a new or improved product.



Preservation of Properties of Interest

An allowance to companies that incur expenditure in the conservation or preservation of properties of interest certified by the Minister to whom responsibility of the National Trust of Trinidad and Tobago is assigned.

This allowance is equal to 150% of the actual expenditure incurred by a company up to a maximum of TT\$1 million



Individual Allowances

- An increase in the allowance for first time homeowners from TT\$25,000 to TT\$30,000 per annum for the first five years on the acquisition by way of a purchase or construction of a house to be used as his or her residence.
- An increase in annual contributions to approved pension fund plans and approved deferred annuity plans from TT\$50,000 to TT\$60,000.

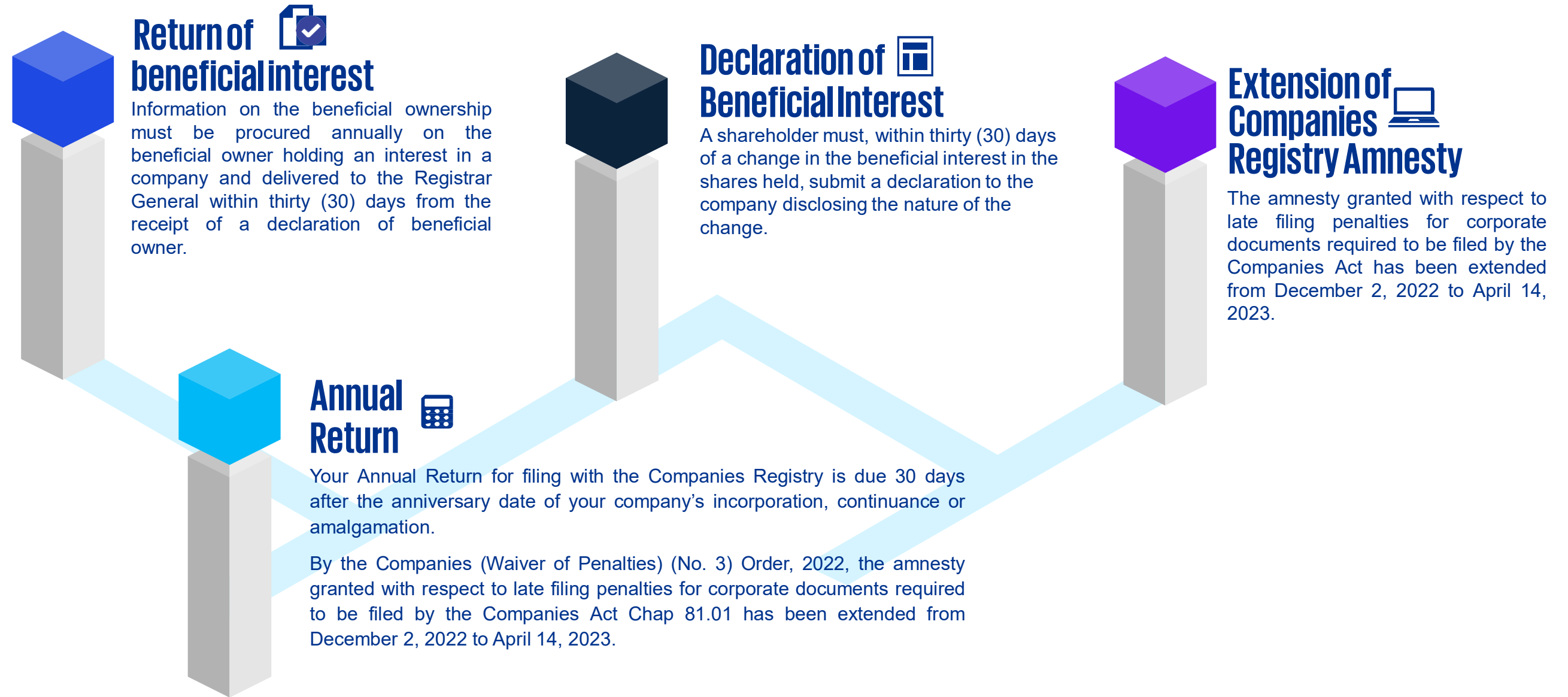


Technology and Digitisation

- Corporation tax at the rate of 25% per annum for income years 2022 and 2023 on the first TT\$100,000 invested by manufacturing companies in projects related to information technology, digitization, or technology development. This benefit would not apply to petrochemical companies.
- An allowance for a two-year reduction in tax liability to companies whose core business activity is technology solution and digitization. Such companies would be subject to corporation tax at a rate of 15% on the first TT\$100,000 in income year 2022 and on the first TT\$200,000 in income year 2023. For the purposes of this section “technology solution” is defined as a set of related software programmes or services that are sold as a package

PLEASE REACH OUT TO US TO DISCUSS HOW THESE ALLOWANCES MAY IMPACT YOUR TAX INSTALMENT DUE DECEMBER 31, 2022

Reminders – Company Registry Filings



Contact us

We hope our comments are of assistance to you, but should you need to discuss please contact one of our tax team members listed below or your usual KPMG service contact.

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Caveat

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