

## B u d g e t 2 0 1 2

The Minister of Finance, in his Budget Presentation for Fiscal Year 2011-2012 proposed the following tax measures –

- Increase the threshold for VAT Registration from \$200,000 to \$360,000.
- VAT - Zero Rated Items  
Amended the Schedule 2 of the VAT Act Chapter 75:06 to include
  - Drilling Rigs
  - Drill Ships
  - Pipelay vessels and barges
  - Anchor Handling Tugs in excess of 35 meters in length
  - Geophysical Survey Vessels
  - Heavy Lift Installation Crane Barges
  - Oil Skimming Vessels
  - Rig and Platform Supply Vessels in excess of 60 meters in length
  - Vessels used in bunkering in excess of 65,000 barrels (7,500 G.T.W. (Gross Ton Weight)
  - Floating Dry Dock in excess of 1000 DWT for repair of Anchor Handling Tugs and Platform Supply Vessels
- Increase penalties for breaches of the VAT Legislation.
- Transfer Pricing  
Include a transfer pricing regime in the Tax Legislation.
- Introduce electronic filing of returns and payment of taxes.
- Amend the Tax Legislation re Finance Act 3/2010 as follows –
  - (a) Include a Tax Allowance for the purchase of retail dispensing of CNG and LNG (This does not include installation cost. No Capital Allowances)  
50% of Capital up to Maximum of \$2,000,000.  
  
This claim is for the period January 1, 2011 to December 31, 2015.
  - (b) Wear and Tear Allowance: 130% OF expenditure for –
    - (i) Acquisition of plant, machinery and equipment not including installation costs) for the purpose of providing installation service of CNG Kit and Cylinder

**OR**

    - (ii) Acquiring and installing a CNG Kit and Cylinder in a motor vehicle.
  - (c) Wear and Tear Allowance: 150% OF expenditure for –
    - (i) Plant, machinery, parts and material used to manufacture solar water heaters
    - (ii) Water turbines and supporting equipment
    - (iii) Solar photovoltaic systems and supporting equipment, or water heaters

These highlights are only proposals and are not yet included in the Tax Legislation.

- Reduction of Corporation Tax to 10% for the first 5 years of operation for Small and Medium sized business who qualify for listing on the Trinidad and Tobago Stock Exchange.