

# B u d g e t 2 0 1 3

The Minister of Finance in his budget statement on October 1, 2012 for Fiscal Year 2012 – 2013 proposed the following Tax Measures:

- A comprehensive review of the Tax System to improve/enhance tax collection
  
- **CLICO Investment Fund (CIF)**
  - To amend the Income/Corporation Tax Acts to exempt:
    - (i) Dividends or other distributions paid by CLICO Investment Fund (CIF) to resident individuals and companies
    - (ii) Profits accruing to the Trust under the CIF
  
  - To waive the applicable stamp duty on:
    - (i) Transfer of Republic Bank Ltd (RBL) Shares from CLICO to the Government of the Republic of T&T (GORTT)
    - (ii) Transfer of RBL Shares to CIF
    - (iii) Transfer of CIF Units to bond holders after the initial offer period
  
- **Creative Arts Industry**
  - A tax deduction of 150% for sponsorship of nationals in the fashion industry up to a maximum of \$3,000,000
  - To increase the tax deduction for sponsorship of audio, visual and video production for local education/entertainment from \$2,000,000 to \$3,000,000
  - To increase the tax deduction for production companies who incur expenditure for their own productions from \$2,000,000 to \$3,000,000
  - To remove VAT on Machinery and Equipment used in the Creative Industry
  
- **Special Allowance**
  - To provide a tax exempt special allowance to Special Reserve Police Officer
  
- **CCTV Cameras, etc**
  - To exempt from VAT, the purchase of CCTV Cameras and Digital Video Recording Equipment for home owners, business owners and communities

- **Sporting Activity**
  - To increase the tax deduction for promoting and sponsoring sporting activities from \$2,000,000 to \$3,000,000
  
- **Gaming Taxes**
  - To increase Gaming taxes on gaming tables and devices used by Private Members Clubs with effect from October 1, 2012
  
- **Housing/Land Development and Commercial Development**
  - To Exempt from Tax –
    - (i) Gains/Profits from the initial sale of newly constructed houses by a register trader, where the construction cost excluding the cost/value of the land does not exceed \$1,500,000. Construction must commence after October 1, 2012. The tax holiday is for a period of 3 years with effect from the Proclamation of the Legislation
    - (ii) Gains/Profit from the initial sale of land developed for residential housing where the development started after October 1, 2012 and the sale is consummated prior to December 31, 2015
    - (iii) Gains/profits from the construction and rental of commercial buildings (including multi-storeyed car-parks) for a 5 year period where such buildings are constructed within the next 5 years
  
- **Business Levy**
  - To increase the BLV Threshold to \$360,000 with effect from January 1, 2013
  
- **VAT**
  - To remove VAT on a temporary basis from the remaining food items
  
- **Supplemental Petroleum Tax**
  - To harmonize the SPT rates for marine areas in line with the port 1988 rates
  - To introduce a special rate of 25% for new field development for prices between US\$50 and US\$90 per barrel
  - To introduce a uplift of 40% on exploration cost incurred on approved projects in deeper horizons