



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

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MEDIA RELEASE

ADJUSTMENTS TO THE VAT REGIME, BUSINESS LEVY, GREEN FUND, PERSONAL ALLOWANCE AND PROPERTY TAX REGIME

Port of Spain: The Minister of Finance wishes to advise that the changes to the VAT regime, which involve the reduction in VAT from 15% to 12 ½%, and the changes to the range of items that are subject to VAT, as well as the increase in the Personal Allowance for individual taxpayers, the increase in the Green Fund Levy and the Business Levy, and the implementation of the Property Tax, all require legislative amendments.

In this regard, it is the intention of the Government to introduce the Finance Bill 2016 in the House of Representatives on January 8, 2016 to give effect to these legislative amendments and/or to utilise the mechanism of Ministerial Orders, which would be subject to negative resolution of Parliament. The requisite amendments to the Property Tax Act will be made at a later date.

In this regard, the reduction in the rate of VAT to 12 ½% and the changes to the range of items that will be subject to VAT are now scheduled to take place on **February 1st, 2016**.

The list of items that will be subject to VAT at the new rate will be published on **January 8, 2016**, thus giving VAT registered companies three weeks to make the necessary adjustments to the cost of their goods and services and to adjust their billing and reporting cycles.

The other taxation measures, namely the increase in the Personal Allowance to \$72,000.00, the increases in the Green Fund Levy and Business Levy and the implementation of the Property Tax will be made effective from the beginning of **2016**.

It should be noted that although the Finance Bill and the amendments to the Property Tax Act will be introduced in Parliament in January 2016, these latter taxes and measures, i.e. the adjustments to the Personal Allowance, Green Fund, Business Levy and Property Tax will be made effective from the beginning of 2016 because they are due and payable, and/or effective, on a quarterly or annual basis, as opposed to VAT, which is due and payable on a bi-monthly basis.

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