

Focus on Trinidad & Tobago Budget 2025



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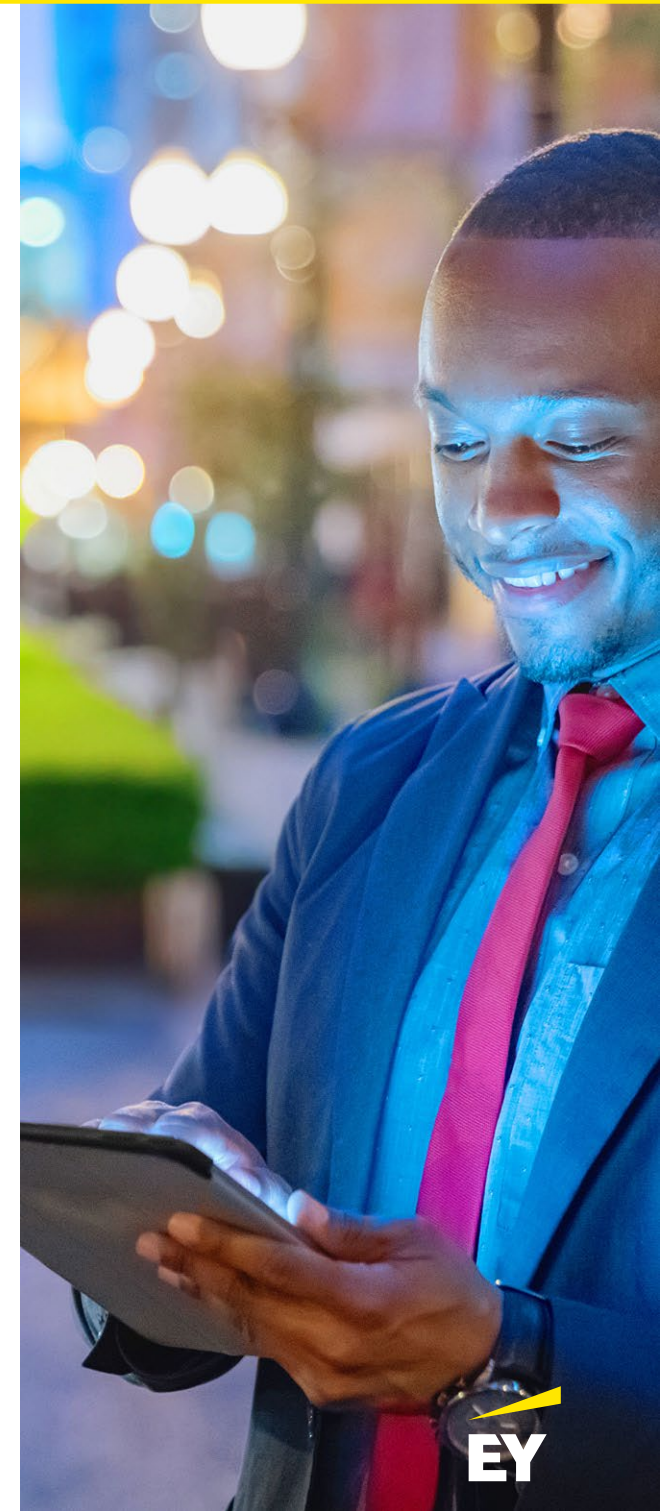
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Caveat

Focus on Trinidad & Tobago Budget 2025 is based on the Budget Statement delivered by the Minister of Finance, the Honourable Colm Imbert, in Parliament on 30 September 2024.

This review was prepared by EY Trinidad and is intended for the benefit of our clients and associates as a general guide. Readers are encouraged to consult with professional advisors for advice concerning specific legal, accounting or tax matters before making any decision.

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Executive summary

Steadfast and Resolute: Forging a Path to Prosperity



Wade George
Executive Chairman
EY Caribbean

As the Minister of Finance presents the 2024/2025 National Budget, it is essential to recognise the multifaceted challenges and opportunities that shape our economic landscape. The reliance on the petroleum sector underscores a duality in our macro-economic fortunes. While it continues to be a vital asset and a primary driver of our revenue and FX, it also renders us vulnerable to production constraints, market fluctuations and price volatility. The Minister aimed to clarify the ongoing production challenges and reassure stakeholders about the steps being taken to resolve them. He also outlined strategies for economic diversification and revenue enhancement while ensuring the protection of the most vulnerable without raising taxes.



Gregory Hannays
Tax Partner

The Prime Minister has cautioned that natural gas production will continue to be challenged until at least the second quarter of 2027, negatively impacting our revenue and foreign currency earnings. This diminution, combined with decreasing national foreign currency reserves and limited Central Bank capacity to provide additional foreign currency, suggests that it is possible that the foreign currency shortage may worsen before recovery. This situation severely affects businesses, particularly SMEs, and hinders citizens' access to foreign currency for travel, education and medical needs.

The clearly reiterated policy to maintain the narrow TTD/USD trading band limits market-based optionality and therefore it is advisable that, in addition to the Exim Bank facility, the Government seeks to form a think-tank comprised of public and private sector participants to deliberate alternative remediation strategies. Beyond this, a robust economic strategy remains imperative to diversify our sources of revenue and fortify our financial resilience.



Colin Ramsey
Tax Partner

The introduction of Special Economic Zone (SEZ) legislation and regulations represent a pivotal opportunity to catalyse investment across various sectors, extending economic development and opportunity beyond urban centers and into designated municipalities, regions and boroughs throughout the country. As we seek to enhance economic diversification and attract foreign direct investment (FDI), the SEZ framework can serve as an additional incentive for innovation and entrepreneurship, fostering a more balanced economic model. This strategic regime could stimulate growth in non-petroleum sectors, creating jobs and encouraging sustainable development. As an additional notable benefit, the repeal of the Free Zone Act, and implementation of the new SEZ regime along with various other legislative changes around transparency, access and exchange of information, advances T&T's prospects of being removed from the detrimental European Union's Non-Cooperative jurisdictions for Tax Purposes.

Executive summary continued

To address our continual fiscal deficits, the Government has adopted a measured approach to revenue augmentation – one that includes the reintroduction of a residential property tax, and the anticipated introduction of OECD model transfer pricing legislation. Although controversial, the former impost on real property (set at the reduced rate of 2% on Annual Taxable Value) is a component of gradual fiscal reform. Compared to regional and international standards, our resistance to such a tax is arguably a storm in a teacup. The central issue remains the delivery of value for money in government services, ensuring that taxpayers see tangible localised benefits from their contributions.

To further supplement anticipated revenue deficits, the Government has announced a capital divestment and development program to include the sale/lease of Magdelana hotel, Bucco Estate for hotel development, its 49% share-ownership in Clico, and the short-listing of potential purchasers of the Point of Pierre Refinery. Further consideration ought to be given to the divestment of State lands either through PPPs or via the implementation of Real Estate Investment Trusts (REITs) that allow for broader participation by citizens and facilitate the promotion of the capital markets. Incorporating sound fiscal policies can bolster public trust while simultaneously generating much-needed revenue.

Moreover, the Privy Council sanctioned implementation of the Trinidad & Tobago Revenue Authority (TTRA) aligns with international best practices and, although not a panacea, has the potential to enhance taxpayer experience while increasing collections. By streamlining processes and creating a more efficient tax system, it can foster a cooperative relationship between the Government and its citizens – one built on transparency, fairness and mutual benefit. Empathising with the cash flow constraints levied on taxpayers by the perennial issue of VAT refunds, the Government has proposed cash refunds to SMEs by 31 December 2024 and the issuance of another series of VAT Bonds in the sum of \$3b effective 1 January 2025. In

addition, to prepare taxpayers for improved compliance under the TTRA, another Tax and NIS amnesty has been proposed during the period 1 October 2024 to 31 December 2024.

Yet, fiscal discipline must remain at the forefront of our national agenda. Persistent deficit spending is innately unsustainable; thus, it is crucial that subsidies are targeted to the most economically vulnerable segments of our population. In recognition of the latter, the Government has proposed to increase the minimum wage for public sector employees from \$20.50 to \$22.50 an hour and offered a 5% increase in wages for the period 2020-2022 to trade unions that have accepted previous settlement negotiations. More needs to be done in leveraging technology to improve the efficiency and effectiveness of similarly intended initiatives, ensuring that assistance directly reaches those who need it most while avoiding wasteful (unaffordable) expenditure.

Beyond fiscal matters, we cannot ignore the escalating crime and murder rate and its profound impact on the collective psyche of the national community and our overall quality of life. Focusing solely on crime's financial burden to businesses can inadvertently obscure the very real concerns of insecurity driving many skilled workers to seek opportunities abroad.

As we move forward, the task is not only to correct fiscal imbalances but also to create an environment where economic resilience, public safety and social welfare can thrive together. The Minister attempted to tackle this balance within the current framework. He did not seek to challenge the status quo, including the Government's role as the largest employer, public sector efficiency, rationalising subsidies and value for money. Additionally, he did not expand on measures aimed at enhancing ease of doing business and nurturing entrepreneurship. Given the current frame, our capacity to address the structural issues facing the economy will remain a significant hurdle.

Budget arithmetic – Fiscal 24/25

Total revenue

\$54.224b

Oil revenue

\$14.174b

Non-oil revenue

\$35.039b

Capital revenue

\$4.011b

Oil price per barrel
US\$77.80

Gas price per MMBtu
US\$3.59

Fiscal deficit

\$5.517b

2.91% of GDP

Total expenditure

\$59.741b

Education and training allocation

\$7.512b

Health allocation

\$7.571b

National security allocation

\$6.113b

Infrastructure allocation

\$1.862b

Transport allocation

\$1.410b

Public utilities allocation

\$3.221b

Rural development / local government allocation

\$1.771b

Agriculture allocation

\$1.184b

Housing allocation

\$0.750b

Macro-economic indicators



Economic growth in 2023 was 1.3%, as compared with economic growth in 2022 of 1.5%.



Unemployment increased to 5.4% at March 2024 from 4.1% as at December 2023.



Headline inflation increased from its lowest historical value of 0.3% at November 2019 to peak at 8.7% at December 2022. There has been a significant decline to 0.7% at December 2023 with further improvement to 0.4% at August 2024.



The adjusted General Government debt reached 73.7% in June 2024, compared to 72.1% at September 2023.



The repo rate remains unchanged at 3.50% since the reduction from 5.0% in March 2020 in response to the COVID-19 pandemic.



As of July 2024, net official reserves were US\$5.5b (or 7.7 months of import cover), compared to US\$6.26b (or 7.8 months) at 30 September 2024.



The HSF NAV balance stood at US\$6.1b as at September 2024, as stated in the budget.

Sources: Central Bank of Trinidad & Tobago, Ministry of Finance, Central Statistical Office

Macro-economic indicators (continued)

Energy Sector



The Energy Commodity Price Index, an indicator of average T&T energy export prices, decreased from 139.9 in January 2023 to a low of 100.7 at June 2023 before slightly increasing to 107.9 as at December 2023. However, this increased to 111.3 at July 2024.



WTI crude oil prices increased by 8.9% from US\$73.93 in January 2024 to US\$80.54 at July 2024. This also reflects an increase of 5.4% from US\$76.39 price in July 2023. Henry Hub natural gas prices decreased by 65% from January to July 2024 from US\$3.18 per mmbtu to US\$2.07 per mmbtu. Additionally, this represents a 19% decline from the US\$2.55 per mmbtu price observed in July 2023.



The daily average crude oil production was 49.9k bopd in the first quarter of 2024, down from the 56.3k bopd recorded in the first quarter of 2023.



Natural gas production averaged 2,638.7 mmscf/d in the first quarter of 2024, slightly down from the 2,705.0 mmscf/d recorded in the same period of 2023, but higher than the 2,533.7 mmscf/d from the last quarter of 2023.

Sources: Central Bank of Trinidad & Tobago, Ministry of Finance, Central Statistical Office

Fiscal measures

Tax and NIS Amnesty

In his budget address, the Minister of Finance announced the Government's intention to introduce a new tax amnesty and a National Insurance amnesty, which will run between 1 October 2024 and 31 December 2024.

The proposed amnesties have been announced against the background of the Privy Council judgment earlier this month on the constitutionality of the TTRA. With the Government securing a judgment in its favour, it is expected that it will attempt to operationalise the TTRA swiftly.

As a result, the Minister indicated that the proposed amnesties will be a final opportunity for taxpayers to become compliant with their outstanding liabilities since after the TTRA comes into operation, there are not expected to be any further amnesties.

The Minister did not specifically identify which taxes and years of income will be covered by the amnesties. Based on previous amnesties, however, it would appear likely that the amnesty will apply to years of income that precede income year 2024.

VAT Bonds

Recognising the burden of outstanding VAT refunds on companies' cash flow, the Minister proposes to issue interest-bearing VAT bonds in fiscal year 2025 in the sum of \$3b, with a target date for issuance of 31 January 2025. In May 2024, the Minister previously mentioned that approximately \$6.54b in VAT Refunds are owing to companies.

The Minister advised, however, that the VAT bonds will be issued in a manner that does not create difficulties or shortages in the local foreign exchange market. The Minister explained that energy sector companies would quickly redeem the VAT bonds received in TT dollars and utilise such funds to pay their respective income and corporate taxes, rather than pay such taxes in US dollars earned from the sale and export of their production.

Additionally, the Minister advised that small and medium enterprises who are owed VAT refunds will be paid in cash by 31 December 2024.

Fiscal measures (continued)

Historically, the Minister has utilised VAT bonds as a measure to alleviate the pressure of the substantial and continuously growing balance of VAT refunds owed to taxpayers as VAT bonds were issued during 2020 and 2023 at interest rates of 3.3% and 3.15% per annum respectively.

We note, however, that section 35(3) of the VAT Act of T&T provides that interest is payable on any VAT refund outstanding for more than a period of six months at the rate of 1% per month of part of a month (i.e. 12% per annum).

The question which arises is whether taxpayers, by accepting the terms of the VAT bonds, are consciously waiving their right to an entitlement to a higher rate of interest, but are only doing so recognizing that there are no other feasible avenues available to access their VAT refunds on a timely basis.

Minimum Wages of Government Workers

The Minimum wage is a critical policy designed to ensure a baseline standard of living for workers. Adjusting the minimum wage can have far-reaching implications for the population (especially those in low-income brackets) and the overall economy.

As the Minister indicated in his speech, there are pros and cons when increasing the minimum wage. Overall, by boosting the lowest wages, it may reduce poverty and income inequality leading to an enhanced quality of life for many individuals and families. It may also lead to improved job satisfaction and reduced turnover which may contribute to a more stable workforce. However, it can also result in reduced employment

opportunities for unskilled workers if small businesses cannot afford the higher wage bill leading to increased unemployment in certain sectors.

The Minister has therefore decided not to increase the national minimum wage (currently \$20.50 an hour) at this time. Instead, he has proposed to increase the minimum wage earned by public sector employees from \$20.50 an hour to \$22.50 an hour, an increase of \$2.00 per hour or 9.8%. This measure is expected to cost the Government \$75m in fiscal year 2025 and will take effect from 1 November 2024. The Minister has indicated that this will benefit employees at The National Maintenance and Security Company (MTS), Community-Based Environmental Protection and Enhancement Programme (CEPEP), Unemployment Relief Programme (URP), as well as other minimum wage workers ensuring that they will earn additional tax-free income as a result of this measure.

Whilst this measure can improve the morale of public sector employees, reducing turnover and associated costs of recruitment and training for Government agencies, it can also lead to higher operational costs for the public sector. This increased cost may require the Government to explore additional revenue streams such as increasing taxes or borrowing to cover the higher wage bill. Alternatively, it may require additional funds being allocated to its payroll budget potentially affecting other programs and services. The impact on private sector employees should also be considered as this may cause some discontent amongst the low-income earners. It may also lead to pressure for the private sector to increase wages to avoid any fall out.

Fiscal measures (continued)

Increasing the minimum wage for Government employees is a policy decision with substantial implications. While it can improve the lives of public sector employees and potentially boost certain aspects of the economy, it also raises questions about the broader economic impact. The Government must ensure that any wage increase is financially viable and does not adversely affect the Government's ability to provide essential services or the overall health of the economy.

Sporting Equipment

To promote healthy lifestyles among our citizens, the Government has proposed an exemption on all sporting equipment, excluding clothing, from taxes and duties.

Although the Minister has not shared the specific details on the taxes and duties to be included in this exemption, it is anticipated to include VAT and import taxes.

This incentive is scheduled to take effect from 1 January 2025.

The fiscal impact of this exemption is projected to be \$20m.

Agriculture

The Minister has indicated that the Government has made several amendments to the tax laws over the years to achieve the objective of exempting the Agriculture industry from tax.

Currently, the legislation provides for the following:

1. Tax exemption for a period of 10 years on the gains or profits from commercial farming carried out by an approved agricultural holding.
2. Removal of VAT and duties on equipment used in the agricultural sector.

In order to qualify for the above, approval may be given to any parcel of land which falls under the definition of an approved agricultural holding.

An “approved agricultural holding” means a parcel of land, held by way of freehold, leasehold or other form of occupancy including mere user, which is used or is capable of being used for the purpose of farming that is approved by the Minister.

Approval does not extend to a parcel of land which is used as a pleasure ground, private garden or an allotment garden or is used or preserved mainly for sporting or other recreational purposes, unless the Minister is satisfied that the use of such land for agricultural purposes does not conflict with its main usage. It is instructive to note that the 100 acres of land limit in order to qualify as an approved agricultural holding has been repealed thereby making it easier to access this tax exemption.

However, the Minister has indicated that there are ambiguities and nuances in the tax laws which lead to different interpretations and arguments as to what qualifies as Agricultural goods and equipment, which can defeat the Government’s policy objectives.

Fiscal measures (continued)

As such, the Minister, in consultation with the Minister of Agriculture, Lands and Fisheries, proposes to conduct a comprehensive review of all items used in agriculture to remove any and all ambiguities that remain in the definitions and laws pertaining to tax concessions for Agriculture.

This effort is designed to ensure that the agricultural sector is genuinely exempt from taxation. The review is expected to be completed by 31 December 2024 and given that it will require amendments to multiple legal frameworks, the measure will take effect in the first quarter of calendar year 2025.

Electric Vehicle Charging Equipment

The Minister proposes, in 2025, to exempt all electric vehicle charging equipment and related accessories from all duties and taxes.

This measure is being implemented with a view to encouraging the switch to electric vehicles, to assist with the reduction of carbon emissions, to meet T&T's climate change undertakings and further decrease reliance on fuel subsidies.

Solar Powered Sustainability Project in Secondary Schools

The Minister has proposed the implementation of a Solar Powered Sustainability Project in 26 secondary schools, in the first instance. This initiative aims to integrate technological solutions and promote environmental sustainability for the overall benefit of the schools and their surrounding communities. An amount of \$2.6m has been proposed for the implementation of this project in the fiscal year 2025.

Agriculture Internship Programme

The Minister has proposed the establishment of an Agriculture Internship Program aimed at providing 30 associate degree graduates from the Eastern Caribbean Institute of Agriculture and Forestry with valuable opportunities. This internship is designed to facilitate a mutually beneficial exchange between the Ministry of Agriculture and the interns, fostering the sharing of ideas and real-world agricultural experiences.

Interns will have the chance to enhance both their practical and soft skills, such as communication and problem-solving, which will support the preservation of the agricultural and forestry sectors. An amount of \$2.2m has been allocated for the implementation of this programme.

Online Numeracy Programme for Adults

The Minister stated that in 2024, the Adult Literacy Tutors Association provided literacy training to both CEPEP and URP employees, as well as to individuals from correctional institutions and in various youth programmes to address the literacy gap. However, the Minister noted that there remains a critical need to extend support to numeracy skill acquisition.

In this regard, the Minister proposes that through the Ministry of Education, an Online Numeracy Programme be used to provide classes via the School Learning Management System to complement the newly acquired literacy skills of the recipients of the literacy training from the Adult Literacy Tutors Association.

In this regard, the Minister proposes to allocate an amount of \$3.2m dollars for the implementation of the Online Numeracy Programme for the fiscal year 2025.

Fiscal measures (continued)

National Digital Literacy Project

The Minister noted that in today’s rapidly evolving digital landscape, digital literacy has become an essential skill. The Government acknowledges that despite the strides in digital transformation achieved within the country, it still faces disparities in ICT development across various rural and underserved communities.

In seeking to bridge this digital divide, the Government proposes to collaborate with a suitable NGO to provide essential digital skills and knowledge to vulnerable groups under a National Digital Literacy Programme.

The Minister stated that this programme will foster an environment of inclusivity and empowerment, giving vulnerable groups the opportunity to thrive in a digitally driven world.

The Minister proposes to allocate an amount of \$5m dollars for the implementation of the National Digital Literacy Programme for the fiscal year 2025.

Digital Literacy Certification for Students

The Minister proposes to implement a comprehensive digital literacy certification programme through the Ministry of Education for students at the various levels of the education system. This programme will complement the Rotaract programme.

The Minister stated that this programme will enhance the development of the human capital of the country, foster global competitiveness in emerging digital sectors, and promote equitable digital inclusion across varied socioeconomic strata.

In this regard, T&T would be better positioned to equip its future generation with the requisite skills for success in an increasingly digital landscape, while concurrently advancing the nation’s broader objectives of sustainable development and social cohesion.

The Minister proposes to allocate \$2.9m for the digital literacy certification programme for the fiscal year 2025.

CSEC Remedial Mathematics Programme

Recognising the pivotal role of Mathematics in education as a fundamental skill that fosters problem-solving capabilities and develops analytical and reasoning skills, the Government proposes to launch an After School CSEC Mathematics Tuition Project across 26 Secondary Schools.

Reports showed that in 2024, the pass rate for CSEC Mathematics was 42.1% compared to 50.5% in 2023, 42.2% in 2022, 47.3% in 2021, 53.9% in 2020 and 48.7% in 2019. This strategic initiative appears to be aimed at counteracting the observed trend of declining pass rates in Mathematics over the past five years.

To this end, the Government has committed \$3.5m to fund this programme.

Fiscal measures (continued)

Housing and Village Improvement Programme

The Housing and Village Improvement Programme (HVIP) is geared towards assisting persons at the lower end of the income scale to achieve home ownership. The typical cost of a HVIP house is just over \$150,000, as compared to the cost of a traditional HDC unit of approximately \$1m. Beneficiaries are given a starter house free of charge and though the HVIP houses are unfinished in terms of painting and tiling, they are fully functional. However, contractors have complained that the \$150,000 price paid to them is too low and unprofitable and this has had a negative effect on the pace of construction. Accordingly, the Minister proposed to increase the price paid for a HVIP house to \$200,000 for a basic unit on flat land, with further adjustments for houses built on difficult terrain. It is anticipated that in 2025, up to 500 HVIP houses can be built at a cost of \$100m and the funding for this increased cost will be financed off-budget, if necessary.

Book Grant

The Minister stated that the \$1,000 book grant given in 2024 assisted 20,000 students to defray the cost of schoolbooks. As such, the Minister proposes to repeat the \$1,000 book grant in 2025 using the same means test applied in 2024. This measure is expected to cost the Government \$20m.

Public Sector Wage Negotiations

The Minister has conveyed the Government’s decision to offer a wage increase of 5% to public sector workers for the three-year period spanning 1 January 2020 to 31 December 2022. It has been further noted that such negotiations are set to commence with the trade unions that previously accepted the wage increase offer of 4% for the 2014 to 2019 period. The Minister has advised that such increase is estimated to cost the Government an additional \$475m per year in recurrent expenditure, with backpay up to the end of 2024 estimated at over \$1b. The retroactive wage increase should assist in aligning wages more closely with the current economic environment, thus alleviating the impact of current inflationary pressures.

Energy sector update

The development of cross-border gas has dominated the national discussion and it was reassuring to hear that the Minister intends to focus on current issues affecting domestic oil and gas production.

In his Budget Speech, the Minister stated that the Government plans to meet with the Energy Chamber within the next three months to discuss opportunities to stimulate further exploration and production. Proposed adjustments to the oil and gas tax regime will be addressed via a Finance Bill in the first quarter of 2025.

Additionally, in 2025, the Government also plans to reallocate acreage to allow lease operators to produce oil from inactive fields which have proven reserves of oil and can be quickly brought into production with a proactive drilling programme.

The following are some of the other highlights of the energy sector from the Minister's Budget Speech:

- Foreign direct investment into the upstream sector is estimated to be in the region of US\$2b and US\$2.3b for 2024 and 2025 respectively.
- The Government has successfully negotiated the restructuring of Atlantic LNG into a unitised model. Moreover, the new pricing arrangement is approximately three times the price of Henry Hub, which was the main marker price for LNG under previous contractual arrangements. From 1 October 2024, it is anticipated that the new revenue-sharing arrangements and the

new pricing formula for natural gas arising from the restructuring will yield substantially enhanced revenues for T&T.

- T&T was awarded a second OFAC licence to facilitate the development of Cocuina-Manakin field. This is in addition to OFAC licence previously granted in relation to the Dragon Gas field in September 2023. Shell Trinidad & Tobago Limited also announced that a Final Investment Decision was taken on the Manatee Project in July 2024.
- bpTT's Cypre project is slated to commence production in March 2025.
- The joint venture between EOG and bpTT targeting the Teak, Salmon and Poui, Mento and Reggae acreages is projected to deliver first gas in February 2025.
- Touchstone Exploration plans to introduce production from two new wells in the Cascadura field in August 2025.
- The Government plans to launch a Deep-Water Competitive Bid Round before the end of 2024 as another opportunity to attract potential investors.
- The Government has set a target to achieve by 2030, 30% of energy needs via renewable energy power generation. A draft Renewable Energy policy and implementation plan was completed by the Ministry of Energy and Energy Industries in January 2024 and is under review.

4 Status of fiscal measures 2024

Proposed Measures	Implications	Status
Minimum Wage	Increase in the Minimum Wage from \$17.50 to \$20.50 per hour.	Enacted by Legal Notice No. 390 of 2023
Exempt Income: Expenditure Incurred	Disallowance of expenditure incurred in producing tax exempt income.	Not Implemented
Exemption from Business Levy on Export Sales	Exemption from Business Levy in respect of export sales for manufacturing companies which are subject to Corporation Tax at the rate of 30%.	Enacted in the Finance Act, 2023
Increase in Sustainability Incentive	Increase in the Sustainability Incentive for petroleum companies from 20% to 25%.	Enacted in the Finance Act, 2023
Supplemental Petroleum Tax (SPT): Small Shallow Marine Area Producers	Revision of the SPT regime applicable to Small Shallow Marine Area Producers.	Enacted in the Finance Act, 2023
Tourism Accommodation Upgrade Project (TAUP)	Extension for a further three years of the TAUP incentive which takes the form of a partial reimbursement of the cost of upgrade works undertaken with respect to eligible tourism properties.	Implemented by the Ministry of Tourism, Culture and the Arts
Cybersecurity Investment Tax Allowance	Tax Allowance of up to \$500,000 in respect of expenditure incurred in investments made in cybersecurity software and network security monitoring equipment during the period 1 January 2024 to 31 December 2025.	Enacted in the Finance Act, 2023

Status of fiscal measures 2024 (continued)

Proposed Measures	Implications	Status
Corporate Sponsorship: Public and Private Schools	Tax Allowance equal to 150% of the expenditure incurred up to a maximum of \$500,000 with respect to the corporate sponsorship of public and private schools registered with the Ministry of Education.	Enacted in the Finance Act, 2023
School Supplies and Book Grant	School Supplies and Book Grant of \$1,000 to support needy students at primary and secondary schools based on a means test process.	Implemented by the Ministry of Education
Special Payment to Trade Union Retirees	One-time tax exempt lump sum payment of \$4,000 to persons who retired compulsorily, voluntarily with permission or on grounds of ill-health during the period 2014 to 2016.	Enacted in the Finance Act, 2023
Property Tax	Collection of Property Tax will be effective in fiscal year 2024 for residential properties.	Notices of Valuation and Notices of Assessment have been issued and payment of the tax is ongoing. Time has been extended for issuing Notices of Assessment to 31 October 2024 and the payment deadline has been extended to 29 November 2024.
Revenue Authority	Revenue Authority to be operational by the end of the fiscal year.	Not Implemented
Transfer Pricing	Transfer Pricing to be introduced within 24 months.	In Progress
Special Economic Zones (SEZ)	Finalisation of the SEZ regime.	SEZ Act became fully operational on 5 July 2024
Agriculture	Making the agricultural sector tax-free.	Not Implemented

Property Tax

The Property Tax Act, 2009 was assented to by the President on 31 December 2009 and was expected to come into operation on 1 January 2010. Taxpayers, however, benefitted from a moratorium on the tax from inception up to 31 December 2023. Implementation of the Property Tax in respect of residential properties commenced in fiscal year 2024.

The Valuation Division began issuing Notices of Valuation in the latter part of the calendar year 2023. The said Notices of Valuation informed residential property owners of the Annual Rental Value (ARV) of the relevant properties as determined by the Valuation Division. It should be noted that by Legal Notice No. 52 of 2024, the time period for objecting to a valuation was increased from 30 days from receipt of the Notice of Valuation to six months after the service of the said Notice.

The BIR also commenced issuing Notices of Assessment which reflected the Annual Taxable Value (ATV) of residential properties and the Property Tax payable. In this regard, the ATV on which the Property Tax is computed is equal to the ARV less 10%. As originally enacted, Property Tax on residential properties was determined by applying a rate of 3% to the ATV. The Property Tax (Amendment) Act, 2024, however, reduced the rate of tax applicable to residential properties from 3% to 2%. The Minister indicated that 50% of residential properties will attract Property Taxes ranging from \$432 to \$1,080 per annum.

The Property Tax Act, 2009 provides that Notices of Assessment are to be issued by 31 March and payment of the tax has to be made by 30 September in every year. However, Legal Notice No. 175 of 2024 provides that for the year 2024 only, the time period for issuing Notices of Assessment is extended to 31 October 2024 while the deadline for payment has been extended from 30 September 2024 to 29 November 2024.

The Minister said he expected that an online payment solution for the Property Tax will be implemented on or before 31 October 2024, which would permit online bank transfers and card payments.

The Minister stated that up to 20 September 2024, 89,411 residential property owners had paid Property Taxes totaling \$91m in revenue.

The Minister reiterated that if the BIR is unable to deliver a Notice of Assessment to the taxpayer, penalties or interest will not be levied. Additionally, if a taxpayer received a Notice of Assessment using the former 3% rate, instead of the reduced 2% rate, such Notice will be invalid.

The Minister did not provide an update as to when the process for valuing commercial, industrial and agricultural properties shall commence.

Transfer pricing

Transfer pricing rules seek to prevent pricing manipulation between related parties in order to achieve a tax advantage. These rules achieve their purpose by treating related parties as if they were independent entities so as to ensure that the prices charged between them accord with the arm's length principle.

We note that transfer pricing legislation was promised as far back as the Budget Statement of October 2011. To date, however, little progress appears to have been made in implementing such legislation. The Minister, however, indicated that in July of this year a Stakeholder Consultation was held on Transfer Pricing in T&T where representatives from Chambers of Commerce, Industry Associations, accountants, tax practitioners and energy companies were engaged. He stated that these discussions will inform the finalisation of draft transfer pricing legislation which has been developed by the technical consultants, the Inter-American Centre of Tax Administrations (CIAT). The Minister said that he would be approaching Parliament shortly to initiate debate on this important legislation.

Transfer pricing in T&T must be viewed in the context of the current tax legislation framework. We note that the Income Tax Act arbitrarily restricts the deduction of management charges paid to non-residents to 2% of all outgoings and expenses (exclusive of such management charges and capital allowances). In this regard, the definition of "management charges" was expanded in 2006 to include personal and technical services, as well as the allocation of head office costs. As presently worded, the management charge restriction disallows legitimate charges incurred for the purposes of the business.

It is hoped that the introduction of transfer pricing rules would see the repeal of the arbitrary 2% management charges restriction so that unreasonable charges would now be more appropriately disallowed under accepted transfer pricing methodology. Conversely, all reasonable charges based on arm's length principles will be fully deductible.

Trinidad & Tobago Revenue Authority

On 16 September 2024, the Privy Council delivered its judgment in the case of ***Terrisa Dhoray v The Attorney General of Trinidad & Tobago*** [2024] UKPC 28 in which it unanimously ruled that the TTRA does not breach the Constitution. In light of this decision, there appears to be no remaining legal obstacles to fully operationalise the TTRA.

In this regard, the TTRA already has a Board of Management in place and in April of this year, Parliament approved the appointment of the Director General and two Deputy Director Generals of the TTRA. We note as well that employees at the BIR and Customs & Excise Division were given a deadline of 31 July 2024 to decide whether they wish to transfer to the TTRA.

The Minister stated that the TTRA is expected to address the tax gap, due to tax evasion, which he estimated to be up to \$10b per year. Among the benefits of the TTRA which were extolled by the Minister were the deployment of advanced technology to refine processes and improve data accuracy, enhanced revenue management and the provision of a more integrated, efficient, and seamless experience for the taxpayer which would improve tax compliance.

The Minister also indicated that the TTRA will establish a Centre of Excellence to engage in the necessary research and data analytics to inform policy development.

Now that the TTRA is finally close to becoming a reality after many delays, it remains to be seen whether these benefits can actually be realised.

Special Economic Zones

With effect from 5 July 2024, the Trinidad & Tobago Special Economic Zones Act, 2022 (SEZ Act) became fully operational.

Background

Essentially, a SEZ is a specifically delineated location whereby the businesses located therein are provided with targeted incentives in order to encourage investment in particular sectors. In this regard, as detailed below, the SEZ regime contains an incentive framework that includes generous direct and indirect tax benefits (Corporation Tax, VAT, Customs Duties and Property Tax) for companies operating in a Zone. It is anticipated that the new SEZ regime will diversify the number and type of industries and locate these Zones strategically in specific areas across the country.

Status of Free Zones Regime

It should be noted that with the SEZ becoming fully operational, the former Free Zones regime has now been repealed. Notwithstanding this, approved Free Zone Enterprises will continue to enjoy benefits under the Free Zones regime until 31 December 2024, see Legal Notice No. 122 of 2024. It is expected that this would give current Free Zone enterprises sufficient time to transition to the new SEZ regime.

Approved Activities

As noted above, the SEZ Act provides for targeted incentives in order to encourage investments in specific sectors of the economy. In this regard, Schedule 3 of the SEZ Act provides for the following permitted activities in the SEZ:

- Manufacturing
- Maritime Services
- Aviation Services
- Fishing and Fish Processing
- Agriculture and Agro Processing
- Information and Communications Technology
- Creative Industries
- Financial Services
- Medical Tourism Services
- Renewable Energy
- Logistics and Distribution
- Business Process Outsourcing

Special Economic Zones (continued)

Types of Zone

The SEZ Act provides for the following types of Zones:

- Free Port
- Free Trade Zone
- Industrial Park
- Specialised Zone
- Development Zone
- Single Zone Enterprise

Locations of Zones

The Minister indicated that Industrial Parks would be located in the following areas:

- Phoenix Park Industrial Estate
- Dow Village Industrial Estate
- Factory Road Industrial Park
- Debe Industrial Park
- Point Fortin Industrial Park
- Tobago Cove Eco-Industrial and Business Park
- Piarco AeroPark

The Minister further indicated that Specialized Zones would be located in:

- Moruga Agro-processing and Light Industrial Park
- Chaguaramas

Eligibility Criteria

Schedule 4 of the SEZ Act prescribes the eligibility criteria for SEZ Enterprises, Single Zone Enterprises and Operators. We note that the said criteria was revised by virtue of the provisions of Legal Notice No. 116 of 2024.

SEZ Enterprise/Single Zone Enterprise

An SEZ Enterprise and a Single Zone Enterprise must be incorporated or registered in T&T in accordance with the Companies Act and comply with the following criteria:

Special Economic Zones (continued)

	Micro-Enterprise	Small and Medium Enterprise	Large Enterprise	Single Zone Enterprise
Minimum new investments in the Zone made after 31 January 2022 and commenced within first two-year period of grant of licence	US\$10,000	US\$50,000	US\$1m	US\$1.5m in respect of: <ul style="list-style-type: none"> ▸ Business Process Outsourcing ▸ Information and Communications Technology ▸ Creative Industries US\$3m in respect of: <ul style="list-style-type: none"> ▸ Manufacturing ▸ Maritime Services ▸ Aviation Services ▸ Fish and Fish Processing ▸ Agriculture and Agro Processing ▸ Financial Service ▸ Medical Tourism Services ▸ Logistics and Distribution
Sales Turnover	<TT\$250,000	>TT\$250,000 - <TT\$10m	>TT\$10m	TT\$25m
No. of full-time employees physically present in the Zone	1-5	6-50	>50	>50

Special Economic Zones (continued)

Operator

The following eligibility criteria will be applied to an Operator of a Zone:

Minimum new investments in the Zone-related buildings, machines, equipment, facilities and other necessary assets, made after 31 January 2022, and commenced within first two-year period of grant of licence.	US\$10m
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Fiscal Benefits: SEZ Enterprises and Single Zone Enterprises

Corporation Tax

- ▶ A preferential Corporation Tax rate of 15%.
- ▶ Where a SEZ Enterprise or a Single Zone Enterprise carrying on a permitted economic activity incurs capital expenditure on the provision of machinery or plant for the purpose of the establishment of operations or for use in a Zone, there shall be granted to it, for the year of assessment for which the expenditure is incurred, an enhanced initial capital allowance equal to 150% of the expenditure incurred in the provision of the machinery or plant.

Value Added Tax

- ▶ Goods supplied to a destination within a Zone shall be zero-rated.
- ▶ Services supplied by non-residents to an SEZ Enterprise or Single Zone Enterprise carrying on a permitted economic activity in the Zone shall be zero-rated.
- ▶ Zero-rating of certain specified Business Process Outsourcing services supplied by an SEZ Enterprise or Single Zone Enterprise to a recipient that is licensed or registered under the Financial Institutions Act, the Insurance Act or any other written law that is administered by the Central Bank of Trinidad & Tobago.
- ▶ Services provided to non-residents are zero-rated under the provisions of Item 17 of Schedule 2 of the Value Added Tax Act.

Customs Duties

- ▶ Exemption from import duties on capital goods, machinery and equipment, spare parts, raw materials, stock in trade and other articles approved by the SEZ Authority for use in a Zone.

Property Tax

- ▶ Exemption from Property Tax.

Special Economic Zones (continued)

Fiscal Benefits: Operators

Corporation Tax

- ▶ A preferential Corporation Tax rate of 15%.

Value Added Tax

The following items would be zero-rated for the purposes of VAT:

- ▶ Building materials
- ▶ Machinery and equipment
- ▶ Spare parts
- ▶ Other articles

as approved by the SEZ Authority for the establishment of operations or for use in a Zone.

Customs Duties

Exemption from import duties on the following items:

- ▶ Building materials
- ▶ Machinery and equipment
- ▶ Spare parts
- ▶ Other articles

as approved by the SEZ Authority for the establishment of operations or for use in a Zone.

Stamp Duty

- ▶ Exemption from Stamp Duty on instruments for the purchase, lease or other acquisition of land for use by an Operator.

Property Tax

- ▶ Exemption from Property Tax.

Proposed tax rates for income year 2025

INCOME TAX

Individual rate (based on chargeable income)	
Every dollar up to \$1m of chargeable income	25%
Every dollar that exceeds \$1m of chargeable income	30%

Allowances and Deductible Expenses

Personal allowance	\$90,000
Contribution to approved pension/retirement fund/deferred annuity/70% NIS contribution	\$60,000
Tertiary education expenses (Note 1)	\$72,000
First-time home owner allowance (Note 2)	\$30,000
Maintenance or alimony (under Court Order)	amount paid (unlimited)
Donations under Deed of Covenant (Note 3)	up to 15% of total income
Purchase and installation of CNG kit	tax credit of 25% of acquiring and installing (up to \$10,000)
Purchase of solar water heating equipment	tax credit of 100% of cost (up to \$10,000)
Purchase of bonds (National Tax Free Savings Bonds Regulations) (Note 4)	tax credit of 25% of face value

Benefits in Kind

Motor vehicles/equipment	50% of wear and tear/50% of lease rental
Company owned housing	fair rental value
Staff loans	difference in CBTT repo rate and rate charged
Other benefits	cost to employer

Exemptions

Initial sale of a residential house site (Note 5)
Newly-constructed commercial buildings and multi-storey car parks (Note 6)
Income and dividends distributed by the CLICO Investment Fund (Note 7)
Multi-family dwelling (Note 8)
Other prescribed exemptions are available

Other

Health surcharge	\$4.80/\$8.25 per week
National Insurance	refer to National Insurance Table

Proposed tax rates for income year 2025

CORPORATION TAX

Basic corporate rate (based on chargeable profits) (Note 9)	30%
Financial institutions (companies licensed to carry on banking business or the business of banking under the Financial Institutions Act)	35%
Petrochemical companies (Note 10)	35%
An approved small company (exempt from tax for six years commencing 1 January 2023) subject to qualifying criteria	0%

SME listed company

First five years from the listing on the Trinidad & Tobago Stock Exchange	0%
Years 6-10	50% of the standard rate of Corporation Tax

BUSINESS LEVY

Rate (based on gross sales/receipts excluding exempt income) (Note 11)	0.60%
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The Company is liable to higher of Corporation Tax or Business Levy

- Not payable for the first 36 months from the date of registration

An exemption would apply to manufacturing companies to which the 30% Corporation Tax is applicable in respect of export sales only. (Note 12)

GREEN FUND LEVY

Rate (based on gross sales/receipts including exempt income) (Note 13)	0.30%
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TAX ALLOWANCES

Audio, visual and video productions sponsorships (Note 14)	150%
Promotion of the fashion industry (Note 14)	150%
Art and culture allowance (Note 14)	100%
Sports and sportsmen sponsorships/promotion (Note 14)	100%
Promotional expense uplift (Note 15)	150%
Training allowance	150%

Scholarship sponsorships	100%
Constructing or setting up a child care or homework facility for minor dependents of employees	100%
Investment in tech start-up and new tech business (Note 16)	150%
Technology solutions and digitalisation (Note 16)	150%
Creation of employment in technology industry (Note 16)	150%
Donations under Deed of Covenant (Note 3)	15% of total income
Apprenticeship Allowance (Note 17)	150%
Corporate Sponsorship – private and public schools (Note 18)	150%
Cybersecurity Investment Tax Allowance (Note 19)	100%

CAPITAL ALLOWANCES

Manufacturing Trades

Initial allowance – plant and machinery (Note 20)	90%
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Wear and Tear Allowance – All Trades

Industrial buildings	10%
Building and improvements	10%
Childcare or homework facilities constructed or set up for minor dependents of employees (Note 21)	10%
Office equipment	30%
Fixtures and fittings	30%
Plant and machinery	30%
Motor vehicles	30%
Boats	30%
Computers and heavy equipment (including rigs)	33.3%
Aircrafts – second-hand	40%



Proposed tax rates for income year 2025

CAPITAL EXPENDITURE DEDUCTIONS

Approved Property Development Company

Construction of commercial or industrial building _____ 20%

Capital expenditure incurred in the construction of commercial, industrial or multi-family residential buildings which are completed on or before 31 December 2024.

WITHHOLDING TAX RATES

Dividends and other distributions (Note 22) _____ 3%/8%

Interest _____ 15%

Royalties _____ 15%

Annuities _____ 15%

Management charges _____ 15%

Rents and other payments _____ 15%

DOUBLE TAXATION TREATIES

Brazil	India	United Kingdom
Canada	Italy	United States of America
CARICOM	Luxembourg	Venezuela
China	Spain	
France	Sweden	
Germany	Switzerland	

*The Double Taxation Treaty with Norway was terminated effective 1 January 2024.

PETROLEUM TAX

Tax	Rate of Tax
Petroleum Profits Tax _____	50% of taxable profits (petroleum operations in deepwater blocks 30%)
Unemployment Levy _____	5% of taxable profits

Supplemental Petroleum Tax (SPT) _____ rates based on weighted crude oil prices (refer to SPT Table), less certain incentives

Petroleum Production Levy _____ lower of 4% of income from crude oil for producers of more than 3,500 barrels of oil per day or share of subsidy

Petroleum Impost _____ % share to defray expenses of Ministry of Energy and Energy Industries (MOEEI)

Green Fund Levy _____ 0.30% of gross sales or receipts (Note 12)

Royalties _____ 12.5% of the net petroleum won and saved from the licensed or contract area (Note 23)

PETROLEUM ALLOWANCES

Tangible Costs

Tangible allowances are available from the year of expenditure at the rate of 20% of the expenditure calculated on a straight-line basis for five consecutive years commencing in the year of the expenditure effective 1 January 2020.

Unrelieved Allowances as at 31 December 2019 will continue to be claimed in the manner in which they were calculated prior to 1 January 2020.

Intangible Drilling and Development Costs

The annual allowance granted with regard to intangible cost is 20% of the expenditure calculated on a straight-line basis for five consecutive years commencing in the year of the expenditure 1 January 2020.

Unrelieved allowances as at 31 December 2019 will continue to be claimed in the manner in which they were calculated prior to 1 January 2020.

Other Petroleum Allowances

- ▶ Allowances in respect of expenditure on exploration wells in a deepwater block shall be calculated by reference to 140% of the expenditure incurred.

Proposed tax rates for income year 2025

Other Petroleum Allowances cont'd

- A deepwater block is where more than 50% of the acreage is deeper than 400m and must be certified by the MOEEI.
- Companies engaged in the upstream energy sector will only be allowed to claim loss relief of up to 75% of taxable profits effective 1 January 2020. No loss carrybacks are allowed. Carried-forward losses can be utilised only for PPT purposes.
- Expenditure in investing in carbon capture and storage and enhanced oil recovery shall be entitled to 30% of actual expenditure capped at TT\$500,000

SUPPLEMENTAL PETROLEUM TAX

Weighted average crude prices (US\$/bbl)	Marine	New Field Development*	Land and Deepwater Block	New Well in Existing Field*
0.00 - 50.00	0%	0%	0%	0%
50.01 - 70.00		15%		15%
50.01 - 90.00	33%		18%	
70.01 - 90.00		20%		20%
90.01 - 200.00	SPT Rate = Base SPT + 0.2%* (P - \$90.00)			
200.01 and over	55%	42%	40%	42%

*Shall be approved and certified for development by the MOEEI.

The rates of SPT applicable to small onshore producers and small shallow marine area producers are as follows:

Weighted average crude prices (US\$/bbl)	Rate
0.00 - 75.00	0%
75.01 - 90.00	18%
90.01 - 200.00	SPT Rate = Base SPT + 0.2%* (P - \$90.00)
200.01 and over	40%

A "small onshore producer" is defined as a person who carries out petroleum operations on land under a licence, sub-licence or contract and produces less than two thousand barrels of crude oil per day

A "small shallow marine area producer" is defined as a person who carries out petroleum operations in shallow marine areas under a licence, sub licence or contract and produces less than 4,000 barrels of crude oil per day.

SPT Deductions, Incentives and Credits

In calculating the SPT liability, certain deductions, discounts and credits are allowed.

Royalties and overriding royalties (Note 23) _____ 100% of amounts paid from crude oil disposals assessed to SPT

Sustainability incentive _____ 25% discount on the SPT rate (Note 24)

Investment tax credit _____ 30% of the qualifying capital expenditure as a deduction against the SPT assessed (Note 25)

- SPT paid is allowed as a deduction in computing taxable profits.

VALUE ADDED TAX

Standard rated goods and services _____ 12.5%

Registration threshold _____ commercial supplies in excess of \$600,000 for a 12-month period

Zero-rated goods and services _____ 0%

- Prescription medicines and drugs
- Exports
- Various unprocessed food items for human consumption
- Crude oil, natural gas and iron ore
- Services supplied for consideration other than TT\$ to a recipient who is not within T&T
- Solar water heaters and photo-voltaic cells
- Certain specified vessels and rigs
- Certain specified back-office services supplied by Free Zone enterprises to financial institutions
- Laptop computers, notebook computers and tablet computers
- Mobile and digital equipment
- Mobile phones, software
- Computer accessories
- Peripherals

Proposed tax rates for income year 2025

Exempt services _____ N/A

- Financial services
- Rental of residential property
- Medical services
- Training and education (approved institutions)
- Real estate brokerage
- Accommodation in hotels, inns, guest houses (for stay that exceeds 30 days)
- Public postal services
- Betting, gambling and lotteries
- Bus and taxi services other than bus services provided by the PTSC

OTHER TAXES

Financial Services Tax _____	15%
Hotel Accommodation Tax _____	10%
Insurance Premium Tax (Note 26) _____	6%
Online Purchase Tax (Note 27) _____	7%
Property Tax _____	Note 28
Environmental Tyre Tax _____	\$20/tyre

STAMP DUTY

Conveyance/transfer of stock/funded debt/shares listed on a self-regulatory organisation:

Shares sold or transferred in accordance with the rules of a self-regulatory organisation _____ Nil

Shares not sold or transferred in accordance with the rules of a self-regulatory organisation _____ 5% of the market value of the transaction

Conveyance/transfer of stock/funded debt/shares not listed on a self-regulatory organisation:

\$0.00 – \$25.00	\$0.10
\$25.01 – \$50.00	\$0.25
\$50.01 – \$125.00	\$0.75
\$125.01 – \$250.00	\$1.00
\$250.01 – \$500.00	\$2.50
For every additional \$500.00 or part thereof	\$2.50

Conveyance or transfer on sale of commercial property:

\$0.00 – \$50.00	\$1.00
\$50.01 – \$100.00	\$2.00
\$100.01 – \$250.00	\$5.00
For every additional \$250.00 or part thereof up to \$1,500.00	\$5.00
\$1,500.01 – \$300,000.00	2%
\$300,000.01 – \$400,000.00	5%
\$400,000.01 – Over	7%

Conveyance or transfer on sale of residential property (with dwelling house):

\$850,000.00 – \$1,250,000.00	3%
\$1,250,000.01 – \$1,750,000.00	5%
\$1,750,000.01 – Over	7.5%

Conveyance or transfer on sale of residential property (with dwelling house) to first-time home owner:

\$0.00 – \$2,000,000.00	0%
\$2,000,000.01 – \$2,250,000.00	5%
\$2,250,000.01 – Over	7.5%

Conveyance or transfer on sale of residential property (no dwelling house):

\$450,000.00 – \$650,000.00	2%
\$650,000.01 – \$850,000.00	5%
\$850,000.01 – Over	7%

Proposed tax rates for income year 2025

NATIONAL INSURANCE TABLE OF CONTRIBUTION PAYMENTS (EFFECTIVE 5 SEPTEMBER 2016)

Earnings Class	Weekly Earnings (\$)	Monthly Earnings (\$)	Assumed Average Weekly Earnings (\$)	Employee's Contribution (\$)	Employer's Contribution (\$)	Total Weekly (\$)	Class Z Weekly (\$)
I	200.00 - 339.99	867.00 - 1,472.99	270.00	11.90	23.80	35.70	1.79
II	340.00 - 449.99	1,473.00 - 1,949.99	395.00	17.40	34.80	52.20	2.61
III	450.00 - 609.99	1,950.00 - 2,642.99	530.00	23.30	46.60	69.90	3.50
IV	610.00 - 759.99	2,643.00 - 3,292.99	685.00	30.10	60.20	90.30	4.52
V	760.00 - 929.99	3,293.00 - 4,029.99	845.00	37.20	74.40	111.60	5.58
VI	930.00 - 1,119.99	4,030.00 - 4,852.99	1,025.00	45.10	90.20	135.30	6.77
VII	1,120.00 - 1,299.99	4,853.00 - 5,632.99	1,210.00	53.20	106.40	159.60	7.98
VIII	1,300.00 - 1,489.99	5,633.00 - 6,456.99	1,395.00	61.40	122.80	184.20	9.21
IX	1,490.00 - 1,709.99	6,457.00 - 7,409.99	1,600.00	70.40	140.80	211.20	10.56
X	1,710.00 - 1,909.99	7,410.00 - 8,276.99	1,810.00	79.60	159.20	238.80	11.94
XI	1,910.00 - 2,139.99	8,277.00 - 9,272.99	2,025.00	89.10	178.20	267.30	13.37
XII	2,140.00 - 2,379.99	9,273.00 - 10,312.99	2,260.00	99.40	198.20	298.20	14.91
XIII	2,380.00 - 2,629.99	10,313.00 - 11,396.99	2,505.00	110.20	220.40	330.60	16.53
XIV	2,630.00 - 2,919.99	11,397.00 - 12,652.99	2,775.00	122.10	244.20	366.30	18.32
XV	2,920.00 - 3,137.99	12,653.00 - 13,599.99	3,029.00	133.30	266.60	399.90	20.00
XVI	3,138.00 and over	13,600.00 and over	3,138.00	138.10	276.20	414.30	20.72

Proposed tax rates for income year 2025

- Note 1: Allowance does not apply to local and regional public tertiary institutions.
- Note 2: Applies to residences constructed or purchased on or after 1 January 2011. Allowance may be claimed for each of the first five years commencing from the date of acquisition.
- Note 3: Total income is the aggregate income after any deductions are made for expenses, allowances or loss relief.
- Note 4: Credit applies to bonds with a maturity period of 5, 7 or 10 years with a face value not exceeding \$5,000. Any unclaimed tax credit may be claimed in the succeeding years of income.
- Note 5: Gains or profits derived from the sale are exempt from tax until the year ending 31 December 2025. The residential house site must be a part of a land development project.
- Note 6: Exemption from tax until the year ending 31 December 2025 in respect of:
- Premiums and rents derived from letting
 - Gains or profits from initial sale
- of newly constructed commercial buildings and multi-storey carparks, construction of which commenced on or after 1 October 2012.
- Note 7: Applies to income or dividends distributed to resident individuals and companies that are unit holders of the CLICO Investment Fund.
- Note 8: Exemption from income tax until the year ending 31 December 2025 in respect of the income derived from the letting or initial sale of a newly constructed multi-family dwelling of which construction commenced on or after 1 July 2016.
- Note 9: The rate of Corporation Tax payable for income year 2017 was 25% for every dollar up to \$1m of chargeable profits and 30% for every dollar in excess of \$1m of chargeable profits. Prior to income year 2017, the rate of Corporation Tax was 25% of chargeable profits.
- Note 10: Applies to companies involved in the liquefaction of natural gas, manufacture of petrochemicals, physical separation of liquids from a natural gas stream, natural gas processing from a natural gas stream, transmission and distribution of natural gas, wholesale marketing and distribution of petroleum products as defined and any other activity so prescribed. Does not include companies operating a liquid petroleum gas filling plant or conducting a refilling operation, or companies involved in the sale and distribution of leaded and unleaded gasoline, diesel and kerosene lubricants and other car care products or operating service stations.
- Note 11: The rate of Business Levy increased from 0.2% to 0.6%, effective income year 2016.
- Note 12: The exemption is effective from 1 January 2024.
- Note 13: The rate of Green Fund Levy increased from 0.1% to 0.3%, effective 21 January 2016.
- Note 14: The aggregate allowance for these items is capped at \$12m.
- Note 15: A company may only qualify for a promotional expense uplift where the goods or agricultural produce has, as a result of such expenditure, been exported to a foreign market other than a country specified in the Sixth Schedule or for the first time to a country specified in the Sixth Schedule.
- Note 16: The maximum allowance is capped at \$3m per allowance. The aggregate allowance of these items is capped at \$9m.
- Note 17: Allowance equal to 150% of the expenditure actually incurred in hiring individuals ages 16-25 (capped at 20% of wages).
- Note 18: The allowance is granted for Corporate Sponsorship to public and private schools registered with the Ministry of Education of 150% of actual expenditure to a maximum \$500,000.
- Note 19: The allowance is granted for investments in cybersecurity software and network security for the period 1 January 2024 to 31 December 2025 to a maximum of \$500,000.
- Note 20: 20% in the case of petrochemical and other companies enjoying benefits under the Fiscal Incentives Act.
- Note 21: Applies to the amount of the excess over \$500,000 expended to construct or set up the child-care facility.
- Note 22: 3% in the case of distributions paid to a parent company and 8% in all other cases.
- Note 23: The value of crude oil for the purposes of payment of royalties shall be the net volume of crude oil won and saved at the fair market value from the licensed area or contract area.
- Note 24: Applies to mature marine oil fields or small marine oil fields as certified by the MOEEL. Effective 1 January 2024 the rate has been increased from 20%-25%
- Note 25: Applies to approved development activity in mature marine oil fields and mature land oil fields or the acquisition of machinery and plant for use in approved enhanced oil recovery projects. The MOEEL must certify all development activities carried out in mature marine and land oil fields and enhanced oil recovery projects.
- Note 26: When paid to non-resident insurer, insured to withhold and remit tax.
- Note 27: Online Purchase Tax shall be charged at the rate of 7% of the value of a good which is:
- Purchased by means of an electronic transaction;
 - Imported into Trinidad & Tobago by air transportation;
 - Consigned to a consumer; and
 - Entered from a transit.
- The OPT shall be payable by the importer.
- Note 28: The Property Tax Act, 2009, was assented to by the President on 31 December 2009 and was expected to come into operation on 1 January 2010. Taxpayers have, however, benefited from a moratorium on the payment of the tax from inception up to 31 December 2023. Collection of Property Tax with respect to residential properties commenced during fiscal year 2024.

About EY Caribbean

When doing business in the Caribbean, count on us.



Building a better
working world

Our 950+ people in the Caribbean pursue the highest levels of integrity, quality and professionalism to provide clients with a broad array of assurance, consulting, law (where licensed), strategy, tax and transactions services. We operate under a single global strategy, leverage a single communications platform and adhere to a single code of practice. EY Caribbean is the largest fully integrated professional services firm in the region, aligning ourselves to be responsive to clients as a single point of contact, regardless of location.

Assurance

- ▶ External audit services
- ▶ Financial accounting advisory services

Consulting

- ▶ Business consulting
- ▶ Technology consulting
- ▶ People advisory services

Law

- ▶ Tax dispute resolution and advisory services
- ▶ Business immigration services
- ▶ Entity compliance and governance services
- ▶ Corporate secretarial services

Strategy and Transactions

- ▶ Strategy
- ▶ Corporate finance
- ▶ Buy and integrate
- ▶ Sell and separate
- ▶ Reshaping results
- ▶ Sustainability and ESG

Tax

- ▶ Business tax services
- ▶ Indirect tax services
- ▶ International tax services
- ▶ Transaction tax services
- ▶ Accounting compliance reporting
- ▶ Corporate secretarial services

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About EY Caribbean – Tax services

Business tax services

- Business tax compliance and advisory
- Tax planning
- Tax controversy/disputes
- Tax accounting

Accounting compliance reporting

- Bookkeeping
- Financial Statement Close Process support
- Statutory reporting (including compilation)
- Payroll
- Financial advisory support

Indirect tax services

- VAT compliance and advisory
- Property tax
- Insurance premium tax
- Hotel accommodation tax
- Stamp duty
- Financial services tax
- Credits and incentives

People advisory services

- Expatriate tax compliance and advisory
- Global employment tax services
- Global business immigration services
- Work permits
- Personal tax services

International tax services

- Cross-border corporate income tax advisory
- Double tax treaty analysis
- Tax-effective supply chain management
- Withholding tax

Transaction tax services

- Evaluation of significant tax exposures
- International tax
- Tax structuring
- Identification of post-transactional tax reduction options

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Building a better
working world

If AI is a
transformative force,
how do we ensure it's
a force for good?

AI's potential to create positive human
impact will depend on a responsible,
people-centered approach that focuses
on creating value for all.



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The better the question.
The better the answer.
The better the world works.

EY | Building a better working world

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