

FISCAL AND OTHER MEASURES PROPOSED IN THE 2023 NATIONAL BUDGET

1. Personal Income Tax Allowance

- Relief to be provided to working families by increasing the personal income tax exemption limit from \$84,000.00 to \$90,000.00 per year.
- All individuals earning \$7,500.00 a month or less will now be exempt from income tax.
- This measure will put additional disposable income of \$1,500.00 per year into the pockets of over 300,000 individual taxpayers.
- This measure will require amendments to the Income Tax Act Chap 75:01 and will take effect on **January 1, 2023**.

2. Vat Registration Threshold

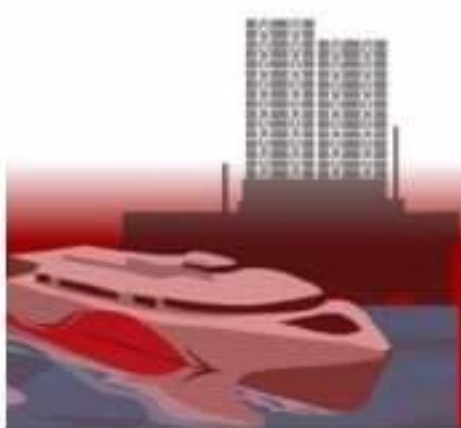
- The VAT registration threshold to be increased from \$500,000.00 to \$600,000.00 to provide relief and support in the payment of VAT.
- This measure will positively impact the growth and development of the small and medium enterprises sector. The measure will cost \$12.5 Million.
- This measure will require amendment to the VAT Act Chap 75:06 and will take effect on **January 1, 2023**.

3. Renewable Energy/Business Rebate for Agriculture

- Rebates of up to \$25,000.00 to be offered for the implementation of renewable energy, such as solar and wind energy.
- This measure will take effect on **January 1, 2023**, and will be administered by the Minister responsible for Agriculture.

4. Subsidy for Housing and Village Improvement Programme

- In recognition of the outstanding success of the Housing and Village Improvement Programme (HVIP), a three-tiered subsidy structure to be introduced under that Programme based on the land topography and increasing in the maximum subsidy, the amount paid by Government, applicable for the construction of a basic two-bedroom housing unit from \$145,000.00 to the following levels:
 - a. \$165,000.00 for construction on flat lands;
 - b. \$170,000.00 for construction on undulating lands; and
 - c. \$175,000.00 for construction on hilly lands.
- This measure will take effect on **January 1, 2023**.



5. Manufacturing Tax Credit

- To incentivize further and create a more agile and robust manufacturing sector, a one-time manufacturing tax credit for companies which make an investment in new machinery, production lines and equipment, to be introduced.
- This manufacturing tax credit can be utilised against the corporation tax liability of the approved manufacturing company certified by the Minister with the responsibility for Trade and Industry, up to a maximum of \$50,000.00.
- This measure is estimated to cost \$50 million if 1,000 companies utilize this tax credit.
- This measure will require amendments to the Corporation Tax Act Chap 75:02 and take effect on **January 1, 2023**.

6. Energy: Investment Tax Credit

- The Investment Tax Credit for energy companies to be increased from 25 percent to 30 percent to stimulate exploration and development-related investments in the energy sector. The total tax loss is estimated at \$20 million annually.
- This measure will require amendments to the Petroleum Taxes Act Chap 62:01 and will take effect on **January 1, 2023**.

7. Supplemental Petroleum Tax

- The current SPT concession to be enhanced for small onshore oil producers and in 2023 a tiered system of Supplemental Petroleum Tax (SPT) to be introduced at lower rates for shallow water marine operators, as opposed to the current fixed rates of SPT of 18 percent, 25 percent and 33 percent that kick in as soon as the price of oil crosses US\$50 per barrel.
- These measures will require amendments to the Petroleum Taxes Act Chap 62:01 and will take effect on **January 1, 2023**.

8. Electronic Payment Providers and e-Money Issuers

- A one-time tax credit to be afforded to approved electronic payment providers and/or e-money issuers up to a maximum of \$50,000.00 to encourage the growth of online financial transactions and aid in the development of a digital economy.
- This measure will require amendments to the Corporation Tax Act Chap 75:02 and is estimated to cost \$4 million.
- It will take effect on **January 1, 2023**.

9. Petroleum Profits Tax

- Crude oil production to be incentivized and the current level of hydrocarbon reserves to be sustained. Deep water exploration costs are significant and to increase and stimulate production, the rate of the Petroleum Profit Tax (PPT) to be decreased from the current 35 percent to 30 percent for companies engaged in deep water exploration.
- This measure will require amendments to the Petroleum Taxes Act Chap 62:01 and is estimated to cost \$50 million and will take effect on **January 1, 2023**.



10. Illegal State Timbering

- The fine for illegal timbering to be increased from \$20,000.00 to \$100,000.00.
- This measure will require amendments to the Forests Act Chap 66:01 and will take effect on **January 1, 2023**.

11. Illegal quarrying

- The Government intends to impose heavy penalties for such environmentally dangerous and illicit activities. In particular, legislative amendments will be introduced to allow the State to levy on, seize and forfeit equipment found on site at illegal quarries, in an effort to eradicate this pernicious scourge.
- These legislative amendments will be introduced in Parliament early in 2023.

12. Scrap Iron Penalties

- Theft of scrap iron to be contained by increasing fines for stealing or illegally obtaining old metal, selling, purchasing, trading, receiving and dealing in stolen old metal, inter alia.
- Fines for these offences to be increased from \$15,000.00 to \$100,000.00.
- This measure will require amendments to the Old Metal and Marine Store Act Chap 84:07 and will take effect on **January 1, 2023**.

13. Approved Small Company: Exemption from Corporation Taxation

- Section 16A of the Corporation Tax Act, Chapter 75:02 to be amended to expand the exemption of approved small companies from the payment of corporation tax from a period of five years to six years. The measure will facilitate further relief to the small and medium enterprise sector.
- This measure will take effect on **January 1, 2023**.

14. Renewable Energy

- VAT on new equipment to be waived for manufacturing companies utilizing alternate energy technologies; renewable energy options, such as gasifiers to use biomass and harnessing renewable energy through wind, solar and water. The certification of documents will be a collaborative effort between the Ministers responsible for Trade and for Energy.
- **The measure will last for 1 year, effective on January 1, 2023, and will terminate on December 31, 2023, in the first instance.** It is expected to support the national agenda of increasing our renewable energy output by 10 percent by 2023.



15. School to Work Apprenticeship Allowance

- An Apprenticeship Allowance to be implemented to encourage more businesses to hire persons aged 16 to 25 for short-term apprenticeship to provide them with relevant experience and exposure to the world of work.
- Companies will be eligible for an allowance of 150 percent for all remuneration paid under such an allowance, up to a maximum of 5 percent of the company's total wages and salaries bill for 1 year. To qualify for this allowance, the training programme instituted by the company must be registered with the National Training Agency and the expenditure certified by the company's auditors. The period of the apprenticeship will be limited to a maximum of 1 year, in the first instance.
- This measure will require amendments to the Corporation Tax Act Chap 75:02 and will take effect on **January 1, 2023**.

16. Fees Chargeable for Commissioners of Affidavits

- The fees payable under the Commissioners of Affidavit Act Chapter 6:52 to be increased.
 - The Commissioners' payment to the Registrar General under Section 3(2) of the Act will be increased from \$200.00 to \$400.00;
 - The Commissioner of Affidavits fees will be increased from \$2.50 to \$10.00 for each affidavit sworn before him and from \$0.50 to \$2.50 for each exhibit attached thereto under Section 5(1) of the Act; and
 - The fee the Commissioner shall pay to the Comptroller of Accounts under Section 5(4) of the Act will be increased from \$100.00 to \$200.00
- This measure will take effect on **January 1, 2023**.

17. Firearm Users Licence Fees

- All firearm license fees (FULs) under the Third Schedule of the Firearms Act Chapter 16:01 to be increased by 100 percent, with the exception of assault weapons, which will have now significantly higher license fees than other types of firearms.
- While legislative amendments are being prepared to achieve this, the licence fees for ownership of assault weapons in private hands will be increased to \$5,000.00 per year, while the annual license fee for ownership of an assault weapon for use a firing range will be increased to \$1,000.00.
- These measures will require amendments to the Firearms Act Chap 16:01 and will take effect on **January 1, 2023**.

18. Tax Amnesty

- An amnesty on penalties and interest on taxes owed up to and including the year ending December 31, 2021, from November 14, 2022, to February 17, 2023, to be introduced.
- This measure will require amendments to the various tax laws and is expected to raise \$300 million to \$500 million in 2023.



19. Oil Pollution

- The penalty to be increased from \$10,000.00 to \$100,000.00 and requires amendments to the Oil Pollution of Territorial Waters Act Chap 37:03.
- This measure will take effect on **January 1, 2023**.

20. Threat of Giant African Snail and other Agricultural Pests

- An additional \$3.0 million to be allocated to the Ministry of Agriculture, Land and Fisheries in the fight against these destructive pests for marketing and awareness campaigns, training of staff and agricultural supply materials.

21. Inter-Island Air bridge and Sea bridge Travel

- The cost of **inter-island air travel** to be increased for all tickets by \$50.00 as follows:

○ Airbridge	Current (One-way)	Proposed (One Way)
○ All Citizens	\$150.00	\$200.00
- The estimated increase in annual revenue to Caribbean Airlines for the operation of the Airbridge will be \$50 million, which, with this increased price will still require subsidy of the Airbridge of over \$50 million per year.
- The cost of **inter-island sea travel** to be increased for all tickets as follows:

○ Sea Bridge	Current (One-way)	Proposed (One Way)
○ Over 60	\$0.00	\$25.00
○ Standard Class	\$50.00	\$75.00
○ Premium	\$100.00	\$150.00
- The estimated increase in annual revenue for the Sea Bridge will be \$30 million, which will still operate at a loss, and would be supported by a subsidy in the amount of \$170 million a year.
- These measures will take effect on **January 1, 2023**.

22. Government assistance for Tuition Expenses (GATE)

- Some restrictions will be relaxed and tuition assistance will be provided for those students, who have already accessed GATE at the diploma, associate degree, or lower TVET level, to pursue baccalaureate level degree programmes consistent with the country's development needs.



23. Fuel Prices

- As of today (September 26th, 2022), the prices of premium and super gasoline, and kerosene will be increased by \$1.00 per litre and diesel by 50 cents a litre.
- The new prices will be:
 - **Premium gasoline** **\$7.75**
 - **Super gasoline** **\$6.97**
 - **Diesel** **\$4.41**
 - **Kerosene** **\$4.50**
- The cost of LPG will remain fixed at \$21.00 for a 20lb cylinder of cooking gas for domestic customers, which will require the Government to pay an annual subsidy for cooking gas of \$300 million.

Transport Grant Facility

To alleviate the effect of these increases in the price of fuel on the most vulnerable in our society, in 2023, all recipients of social grants, namely recipients of public assistance, disability, food support and senior citizens pension, to receive a one-time transport grant of \$1,000.00.

- **It should be noted that this transport grant facility is temporary and shall remain in place only in so far as the price of oil remains at elevated levels.**
- This measure will assist **175,000 persons** and will cost **\$175 million** and be implemented on or before the end of **January 2023**.

