

**MID-YEAR REVIEW
SUPPLEMENTARY FUNDING REQUIRED – 2024**

APPENDIX I

Head of Expenditure	Personnel Expenditure	Goods & Services	Minor Equipment Purchases	Current Transfers & Subsidies	Current Transfers to Statutory Boards & Similar Bodies	Debt Servicing	Total Recurrent Expenditure	Development Programme	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
06 Service Commissions		4,140,000					4,140,000		4,140,000
15: Tobago House of Assembly		50,000,000					50,000,000		50,000,000
23 Office of the Attorney General and Ministry of Legal Affairs		121,000,000		3,300,000			124,300,000		124,300,000
26 Ministry of Education	17,500,000	27,700,000		99,000,000			144,200,000		144,200,000
28 Ministry of Health		214,145,000		281,141,000			495,286,000		495,286,000
30 Ministry of Labour		113,000,000		8,760,000	8,778,600		130,538,600		130,538,600
39 Ministry of Public Utilities				5,600,000	522,200,000		527,800,000		527,800,000

Head of Expenditure	Personnel Expenditure	Goods & Services	Minor Equipment Purchases	Current Transfers & Subsidies	Current Transfers to Statutory Boards & Similar Bodies	Debt Servicing	Total Recurrent Expenditure	Development Programme	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
40 Ministry of Energy and Energy Industries				570,900,000			570,900,000		570,900,000
42 Ministry of Rural Development and Local Government		16,327,500		43,700,000	35,000,000		95,027,500		95,027,500
43 Ministry of Works and Transport		113,000,000		42,677,000			155,677,000		155,677,000
65 Ministry of Foreign and CARICOM Affairs		752,000		4,192,000			4,944,000	4,238,500	9,182,500
80 Ministry of Tourism, Culture and the Arts					21,048,000		21,048,000		21,048,000
TOTAL	17,500,000	660,064,500		1,059,270,000	587,026,600		2,323,861,100	4,238,500	2,328,099,600

**PROPOSED TIME-TABLE FOR THE STANDING
FINANCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES
THE FINANCE (SUPPLEMENTARY APPROPRIATION)
(FINANCIAL YEAR 2024) BILL, 2024**

Wednesday 22 nd May, 2024	Cabinet's approval of the Finance (Supplementary Appropriation) (Financial Year 2024) Bill, 2024
Monday 3 rd June, 2024	Meeting of the Standing Finance Committee. Standing Finance Committee Agenda to be forwarded to Parliament for circulation to Members of the Standing Finance Committee by 24th May, 2024
Thursday 6 th June, 2024	Report of the Standing Finance Committee to be circulated to Members
Friday 7 th June, 2024	Sitting of the House of Representatives to debate/adopt the Report of the Standing Finance Committee and to present the Finance (Supplementary Appropriation) (Financial Year 2024) Bill, 2024
Tuesday 11 th June, 2024	The Finance (Supplementary Appropriation) (Financial Year 2024) Bill, 2024 to be debated in the Senate and taken through all its stages
Thursday 20 th June, 2024	Bill to be assented to by Her Excellency, The President

**THE FINANCE
(SUPPLEMENTARY APPROPRIATION)
(FINANCIAL YEAR 2024) BILL, 2024**

Explanatory Note

(This note forms no part of the Bill but is intended only to indicate its general purport)

The object of the Bill is to supplement the appropriation provided for by the Appropriation (Financial Year 2024) Act, 2023 (Act No. 14 of 2023) by authorising the issue from the Consolidated Fund in the sum of two thousand, three hundred and twenty eight million, ninety nine thousand and six hundred dollars (\$2,328,099,600).

BILL

AN ACT to supplement the appropriation of the sum, the issue of which was authorised by the Appropriation (Financial Year 2024) Act, 2023

Enactment	ENACTED by the Parliament of Trinidad and Tobago as follows:
Short title	1. This Act may be cited as the Finance (Supplementary Appropriation) (Financial Year 2024) Act, 2023.
Further issue of \$2,328,099,600 from the Consolidated Fund	2. A further issue from the Consolidated Fund in the sum of two thousand, three hundred and twenty eight million, ninety nine thousand and six hundred dollars (\$2,328,099,600) is authorised for meeting expenditure for the service of Trinidad and Tobago for the financial year ending September 30, 2024 and appropriated in respect of the Heads of Expenditure set out in the Schedule to this Act.
Schedule	

SCHEDULE

(Section 2)

FIRST COLUMN	SECOND COLUMN
<i>Heads of Expenditure to be increased</i>	<i>Amount of increase</i>
	\$
06 Service Commissions	4,140,000
15 Tobago House of Assembly	50,000,000
23 Office of the Attorney General and Ministry of Legal Affairs	124,300,000
26 Ministry of Education	144,200,000

FIRST COLUMN

SECOND COLUMN

*Heads of Expenditure to be increased**Amount of increase*
\$

28 Ministry of Health	495,286,000
30 Ministry of Labour	130,538,600
39 Ministry of Public Utilities	527,800,000
40 Ministry of Energy and Energy Industries	570,900,000
42 Ministry of Rural Development and Local Government	95,027,500
43 Ministry of Works and Transport	155,677,000
65 Ministry of Foreign and CARICOM Affairs	9,182,500
80 Ministry of Tourism, Culture and the Arts	21,048,000
TOTAL	<u>2,328,099,600</u>

Passed in the House of Representatives this day of , 2024.

Clerk of the House

I confirm the above and certify that this is a Money Bill.

Speaker

Passed in the Senate this day of , 2024.

Clerk of the Senate

I confirm the above.

President of the Senate

**MINISTRY OF FINANCE
FISCAL MEASURES
REVENUE GENERATING AND EXPENDITURE REDUCING MEASURES**

NO.	MEASURE	ESTIMATED REVENUE	COMMENT
REVENUE			
1.	<p>Expenditure earned on Exempt Income:</p> <ul style="list-style-type: none"> • Amend the tax legislation on deductions by disallowing expenditures incurred in earning exempt income. 	\$75 million	The measure was announced in the 2023 budget but never enacted into law. There are currently measures in the Income Tax Act that allow for expenditure in relation to exempt income to be deducted against other income. These measures in the Income Tax Act (introduced years ago) was intended to stimulate the construction industry. <u>The current measure is not intended to affect the previous measures.</u> There are many sources of exempt income, but CARICOM exempt income is the largest. This has been the concern of stakeholders and the accounting firm as to whether there is a reversal of previous benefits
2.	<p>New Tax Bracket for High Income Individuals:</p> <ul style="list-style-type: none"> • Introduce a new tax bracket of 32.5% on high income individuals whose chargeable income exceeds \$2 million per annum. 	\$90 million	New Measure
3.	<p>New Tax Brackets for Commercial Banks:</p> <ul style="list-style-type: none"> • At present, commercial banks pay a tax rate of 35.0 percent on their chargeable profits. It is proposed to introduce a new tax system as follows: <ul style="list-style-type: none"> ○ Chargeable profits up to \$500 million – 35.0 percent ○ Chargeable profits in excess of \$500 million – 37.5 percent 	\$86 million	Last amended in the 2018 Budget

**MINISTRY OF FINANCE
FISCAL MEASURES
REVENUE GENERATING AND EXPENDITURE REDUCING MEASURES**

NO.	MEASURE	ESTIMATED REVENUE	COMMENT
4.	<p>Introduction of a Tier Taxation System Corporation Tax – Petrochemical Companies:</p> <ul style="list-style-type: none"> • Currently, the corporate tax rate for petrochemical companies is 35%. It is proposed to introduce the following graduated tax system: <ul style="list-style-type: none"> ○ Chargeable profits up to \$100 million – 35.0 percent ○ Chargeable profits in excess of \$100 million – 37.5 percent 	\$65 million	New Measure
5.	<p>Presumptive Taxation:</p> <ul style="list-style-type: none"> • Presumptive taxation is an option for resident individual taxpayers whose sole source of income is from being engaged in trade or business and who qualify only if their gross sales or receipts are less than \$120,000. In this case, qualifying taxpayers pay a tax of 2% of their gross sales or receipts. 	\$90 million	New Measure
6.	<p>Tax Amnesty:</p> <ul style="list-style-type: none"> • Tax Amnesty for the waiver of certain liabilities where the tax or duty in question is settled, or the return is filed for a period of three (3) months. 	\$800 million	Last amnesty was from 14 th November 2022 to 31 st August, 2023.

MINISTRY OF FINANCE
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 REVENUE GENERATING AND EXPENDITURE REDUCING MEASURES

NO.	MEASURE	ESTIMATED REVENUE	COMMENT
7.	<p>Revised Penalties to ensure Compliance with the Board of Inland Revenue:</p> <ul style="list-style-type: none"> • Propose to improve compliance with the requirements of the Board of Inland Revenue: <ul style="list-style-type: none"> ○ Increasing penalty/fines from \$10,000 to \$20,000 for submission of incorrect information in TD1s regarding fraudulent documents to support claims Under Sections 98 (2)(b): Collection and Recovery of Tax; ○ Increasing the penalty to 100 percent of the amount payable to encourage compliance by persons who do not deduct PAYE from their employee or having deducted do not remit it to the Board of Inland Revenue under Sections 99 (4) of the Income Tax Act Chapter 75:01; ○ Increasing the penalty for the offences in respect of fraud from \$250,000 to \$300,000 under Section 119 Income Tax Act Chap 75:01; ○ Increasing penalty/fines from \$30,000 to \$60,000 for persons guilty under 	<p>\$20 million</p>	<p>Please note that if the above amnesty is granted, the increase in these penalties will be enforceable at the end of the amnesty period</p>

MINISTRY OF FINANCE
 FISCAL MEASURES
 REVENUE GENERATING AND EXPENDITURE REDUCING MEASURES

NO.	MEASURE	ESTIMATED REVENUE	COMMENT
	<p>Section 121 (1) of Income Tax Act Chapter 75:01;</p> <ul style="list-style-type: none"> o Amend Section 59 A (3) Infringement Notices of the Value Added Tax Act Chapter 75:06 by stating “In an infringement notice the modified penalty should be \$10,000”; and • Under the Value Added Tax (Prescribed Offences— Modified Penalties) Regulations 3 of the Value Added Tax Act Chapter 75:06 that the following offences be changed: <ul style="list-style-type: none"> • Failure to display a Certificate of Registration contrary to section 27(4) should be increased from \$3,000 to \$10,000; • Failure to notify the Board of the changes in the status of a business or person contrary to section 28(4) should be increased from \$3,000 to \$10,000; • Failure to file a return by the due date contrary to section 31(5) should be increased from \$500 to \$5,000; and • Failure to issue a Tax Invoice contrary to section 36(4) should be increased from \$3,000 to \$10,000. 		

MINISTRY OF FINANCE
 FISCAL MEASURES
 REVENUE GENERATING AND EXPENDITURE REDUCING MEASURES

NO.	MEASURE	ESTIMATED REVENUE	COMMENT
8.	<p>Tax Administration:</p> <ul style="list-style-type: none"> Recruit one hundred (100) short-term officers (1 year – tax auditors/UWI graduates) to prioritize audit assignments. Conduct a series of compliance exercises to generate immediate tax revenue. These include quick audits, inspection visits, etc. in the areas of Value Added Tax (VAT), Income Tax and Corporation Tax. 	<p>\$350 million</p>	<p>New Measure</p>
9.	<p>VAT Rate Amendment:</p> <ul style="list-style-type: none"> For every 1% decrease in the VAT Rate \$560 Million VAT revenue is estimated to be forgone. For every 1% increase in the VAT Rate \$560 Million VAT revenue is estimated to be earned. <p>**1%/12.5% x \$7 billion (Net VAT) = <u>\$560 million</u></p> <p>NB: An increase in the VAT rate to 15% can result in an additional revenue of \$1.4 Billion in revenue earned annually once properly administered.</p>	<p>\$560 million</p>	<p>Last amended in the 2016 Budget (reduced from 15% to 12.5%)</p>
10.	<p>Income Tax:</p> <ul style="list-style-type: none"> For every 1 percent increase in the Income Tax Rate \$240 million in revenue is estimated to be mobilized annually. 	<p>\$240 million</p>	<p>New measure</p>

**MINISTRY OF FINANCE
FISCAL MEASURES
REVENUE GENERATING AND EXPENDITURE REDUCING MEASURES**

NO.	MEASURE	ESTIMATED REVENUE	COMMENT
11.	<ul style="list-style-type: none"> • For every 1 percent decrease in the Income Tax Rate \$240 million in revenue is estimated to forgone annually. **1%/25% x \$6 billion (estimate) = \$248 million <p>Corporation Tax:</p> <ul style="list-style-type: none"> • Currently 30 percent of chargeable profits excluding Oil Companies, Withholding Tax, Insurance Surrender Premium, Business Levy and Financial Services Companies. <ul style="list-style-type: none"> ○ For every 1 percent increase in the Corp. Tax Rate \$216 million in revenue is estimated to be mobilised per annum. ○ For every 1 percent decrease in the Corp. Tax Rate \$216 million in revenue is estimated to be forgone annually. <p>**1/30% x \$6.5 billion (estimate)= \$216 million</p> <p>Business Levy:</p> <ul style="list-style-type: none"> • Currently the rate of Business levy is 0.6 percent of sales/revenue. • For every 0.1 percent increase in Business Levy \$100 million in revenue is mobilised per annum. <p>**if 0.6% equates to \$600 million in revenue, then a .1% will be equivalent to an estimate of \$100 million.</p>	\$216 million	New measure
12.	<ul style="list-style-type: none"> • Currently the rate of Business levy is 0.6 percent of sales/revenue. • For every 0.1 percent increase in Business Levy \$100 million in revenue is mobilised per annum. <p>**if 0.6% equates to \$600 million in revenue, then a .1% will be equivalent to an estimate of \$100 million.</p>	\$100 million	Last amended in the 2016 Budget (increased from 0.2% to 0.6%)

**MINISTRY OF FINANCE
FISCAL MEASURES
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NO.	MEASURE	ESTIMATED REVENUE	COMMENT
13.	<p>New Drug Application Fee:</p> <ul style="list-style-type: none"> Approximately 40% of Ministry of Health, Chemistry, Food and Drugs Division staff are involved in the process of registering new drugs, which signifies the magnitude of the industry. It is proposed to increase the new drug application fee from \$750 to \$5,000 to harmonize the current fee with the regional market fee. <p>**5,000 new applications x \$4,250 = <u>\$21.2 million</u></p>	<p style="text-align: center;">\$21.2 million</p>	<p>New Measure</p>
14.	<p>Potential revenue from the adjustment of the electricity tariff rate</p>	<p style="text-align: center;">-</p>	<p>At the stage of RIC. Estimated revenue unknown at this time</p>
TOTAL ESTIMATED REVENUE		<u>\$2.713</u> BILLION	
EXPENDITURE REDUCING			
15.	<p>Economic Management Division to advice on the World Bank's recommendations on social development programmes</p>	<p style="text-align: center;">-</p>	
16.	<p>Review any social programmes that may have similar assistance programmes with regard to double dipping</p>	<p style="text-align: center;">-</p>	
17.	<p>Rationalisation of the SOE sector with the aim of merging mandates and reducing duplication, maximising government resources and reducing expenditure</p>	<p style="text-align: center;">-</p>	