

OBJECTS AND REASONS

This Bill would amend the *Value Added Tax Act, Cap. 87*.

Arrangement of Sections

Section

1. Short title.
2. Amendment of Cap. 87.
3. Amendment of enactment set out in the Schedule.

SCHEDULE

BARBADOS

A Bill entitled

An Act to amend the *Value Added Tax Act*.

ENACTED by the Parliament of Barbados as follows:

1. This Act may be cited as the *Value Added Tax* Short title.
(Amendment) Act, 2008.

Amendment
of Cap. 87.

2. The *Value Added Tax Act*, is amended by inserting immediately after section 55 the following new section as section 55A:

"Refund of
tax paid on
building
material.

55A. (1) A qualified homeowner may apply to the Comptroller for a refund of the tax paid by him on the building material used in the construction of the dwelling house of the homeowner.

(2) Notwithstanding section 61, the application referred to in subsection (1) shall be

- (a) made within 2 years of the date of completion of the dwelling house;
- (b) in such form as the Comptroller prescribes; and
- (c) accompanied by
 - (i) a valuation of the dwelling house from the Commissioner of Land Tax or a registered valuer;
 - (ii) a Certificate of Completion from the Chief Town Planner; and
 - (iii) a sworn affidavit stating that the applicant is a first time homeowner.

(3) The refund of tax referred to in subsection (1) shall be calculated on the value of the dwelling house at the prescribed rate.

(4) For the purpose of this section,

- (a) "annual gross family income" means the combined gross income of every adult family member in the household;

- (b) a "qualified homeowner" is a person who
- (i) is a first time owner of a dwelling house;
 - (ii) builds or purchases a newly constructed dwelling house or who has built or has purchased a newly constructed dwelling house that is valued at not more than \$150 000;
 - (iii) occupies the dwelling house; and
 - (iv) whose annual gross family income does not exceed \$42 000."

3. The *Value Added Tax Regulations, 1996* are amended in the manner set out in the *Schedule*.

Amendment
of enactment
set out in the
Schedule.

SCHEDULE

(Section 3)

Enactment

Amendment

*Value Added Tax Regulations,
1996 (S.I. 1996 No. 135)*

Inserting the following immediately after
regulation 6:

"Refund of tax. 6A. For the purpose of section 55A(3) of the Act, the refund of tax on building material shall be calculated on the value of the dwelling house at the rate of seven per cent."