

2018-06-08

OBJECTS AND REASONS

This Bill would amend the *Barbados Revenue Authority Act* (Act 2014-1) to repeal the system for the issuance of tax clearance certificates and for related matters.

Arrangement of Sections

1. Short title
2. Amendment of section 2 of Act 2014-1
3. Repeal of section 8A of Act 2014-1
4. Amendment to certain enactments

SCHEDULE

BARBADOS

A Bill entitled

An Act to amend the *Barbados Revenue Authority Act* (Act 2014-1) to repeal the system for the issuance of tax clearance certificates and for related matters.

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *Barbados Revenue Authority (Amendment) Act, 2018*.

Amendment of section 2 of Act 2014-1

2. *Section 2 of the Barbados Revenue Authority Act, in this Act referred to as the principal Act, is amended by deleting the definition “tax clearance certificate”.*

Repeal of section 8A of Act 2014-1

3. *Section 8A of the principal Act is deleted.*

Amendment to certain enactments

4. *The enactments set out in the first column of the Schedule are amended in the manner set out opposite thereto in the second column.*

SCHEDULE

CONSEQUENTIAL AMENDMENTS

(Section 4)

Column 1	Column 2
Enactments	Amendments
1. <i>Land Tax Act, Cap. 78</i>	<p>1. In section 41, delete subsection (1) and substitute the following:</p> <p style="padding-left: 40px;">“(1) Subject to subsection (1A), the Registrar shall not stamp as duly stamped or as not chargeable with any duty under the <i>Stamp Duty Act, Cap. 91</i> any conveyance of land or any lease of land for a period exceeding 3 years unless there is produced to him</p> <p style="padding-left: 80px;">(a) a valid certificate issued by the Revenue Commissioner</p> <p style="padding-left: 120px;">(i) certifying that all tax due on the land has been paid or that no tax is due on the land;</p> <p style="padding-left: 120px;">(ii) bearing the date of its issue; and</p> <p style="padding-left: 120px;">(iii) stating a period from the date of its issue for which it shall be valid; and</p> <p style="padding-left: 80px;">(b) a copy of the notification of change of possession given to the Commissioner under section 31 of the <i>Land Valuation Act, Cap. 229A</i> bearing a stamp denoting that the Commissioner is in receipt of the original notification.”.</p>
2. <i>Liquor Licences Act, Cap. 182</i>	<p>2. In section 30, delete subsections (2), (3) and (4) and substitute the following:</p> <p style="padding-left: 40px;">“(2) Subject to subsection (4), no application for the renewal of a licence of the class specified in paragraph (b), (d), (e), (g) or (h) of section 4(1) shall be granted unless the applicant furnishes to the licensing authority certificates from the Revenue Commissioner and the Director of National Insurance stating that all liabilities for the payment of income tax, land tax, value added tax and national insurance contributions in respect of the business or trade to which the application for the renewal of the licence relates have been discharged.</p>

Schedule (Cont'd)

Column 1	Column 2
Enactments	Amendments
2. <i>Liquor Licences Act</i> , Cap. 182 (Concl'd)	(3) The Revenue Commissioner or the Director of National Insurance shall issue a certificate referred to in subsection (2) if he is satisfied that all liabilities for the payment of tax or national insurance contributions, as the case may be, have been discharged.
3. <i>Property Transfer Tax Act</i> , Cap. 84A	(4) Where an applicant for the renewal of a liquor licence is not the fee simple owner of premises on which is located the business or trade to which the application for renewal relates, the requirement contained in subsection (2) for a certificate from the Revenue Commissioner with respect to the payment of land tax, shall not apply to such an applicant.”.
	<p>3. In section 13,</p> <p>(a) delete sub-paragraph (iii) of subsection (1) and substitute the following:</p> <p>“(iii) subject to subsections (2) and (3) and in respect of a transfer where the transferor is a person to whom section 48(3) of the <i>Value Added Tax Act</i>, Cap. 87 applies, there is presented to the Registrar a certificate issued by the Revenue Commissioner stating that</p> <p>(A) no input tax has been previously allowed under section 46(2) of the <i>Value Added Tax Act</i>, Cap. 87; or</p> <p>(B) input tax previously allowed under section 46(2) of the <i>Value Added Tax Act</i>, Cap. 87 has been repaid to the Revenue Commissioner in accordance with section 48(4) of the <i>Value Added Tax Act</i>, Cap. 87, or security satisfactory to the Revenue Commissioner has been given for the payment thereof.”.</p>

Schedule (Concl'd)

Column 1	Column 2
Enactments	Amendments
<p>3. <i>Property Transfer Tax Act</i>, Cap. 84A (Concl'd)</p>	<p>(b) delete subsection (3) and substitute the following:</p> <p style="padding-left: 40px;">“(3) Where the declaration referred to in subsection (2) states that no input tax has been allowed, a certificate of the Revenue Commissioner referred to in sub-paragraph (iii) of subsection (1) is not required to be presented to the Registrar in accordance with that sub-paragraph.”.</p> <p>4. In section 13A, delete subsection (2) and substitute the following:</p> <p style="padding-left: 40px;">“(2) The stamp of the Registrar on a document or instrument of transfer denoting the issue by the Revenue Commissioner of a certificate under sub-paragraph (iii)(B) of section 13(1) shall operate to release the land from the charge under subsection (1).”.</p>

Read three times and passed the House of Assembly this
day of _____, 2018.

Speaker

Read three times and passed the Senate this _____ day of
_____, 2018.

President

EXPLANATORY MEMORANDUM

- Clause 1:** states the short title by which the Act may be cited.
- Clause 2:** deletes the term “tax clearance certificate”.
- Clause 3:** deletes section 8A which provided for the issuance of tax clearance certificates by the Revenue Commissioner.
- Clause 4:** sets out the consequential amendments to the *Land Tax Act, Cap. 78A*, the *Liquor Licences Act, Cap. 182* and the *Property Transfer Tax Act, Cap. 84A* to delete references to tax clearance certificates and to provide for the specific circumstances in which discrete certificates are required.