

2017-01-03

OBJECTS AND REASONS

This Bill would amend the *Barbados Revenue Authority Act* (Act 2014-1) to make provision 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. Insertion of section 8A into Act 2014-1
4. Amendment of First Schedule to Act 2014-1
5. Amendment to certain enactments

SCHEDULE

CONSEQUENTIAL AMENDMENTS

BARBADOS

A Bill entitled

An Act to amend the *Barbados Revenue Authority Act* (Act 2014-1) to make provision 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, 2017*.

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 inserting in the appropriate alphabetical order, the following definition:*

““tax clearance certificate” means a certificate issued by the Authority pursuant to section 8A;”.

Insertion of section 8A into Act 2014-1

3. *The principal Act is amended by inserting immediately after section 8, the following as section 8A:*

“Commissioner to issue tax clearance certificates

8A.(1) Where an application is made to the Commissioner for a tax clearance certificate and the Commissioner is satisfied that

- (a) no taxes are due under the taxing Acts;
- (b) all taxes, interest and penalties which have accrued under the taxing Acts have been paid; or
- (c) an amount satisfactory to the Commissioner that is equal to not less than 10 per cent of the taxes, interest and penalties which have accrued under the taxing Acts has been paid and an agreement has been executed with the Authority for the purpose of making scheduled payments to liquidate the sums owed,

the Commissioner shall issue the tax clearance certificate.

(2) Notwithstanding paragraph (c) of subsection (1), where an application is made to the Commissioner for a tax clearance certificate to facilitate a conveyance of land, an applicant shall

- (a) pay all tax, interest and penalties which have accrued under the *Land Tax Act*, Cap. 78A;
- (b) repay all input tax in accordance with section 48(4) of the *Value Added Tax Act*, Cap. 87, where such tax was previously allowed under section 46(2) of that Act; and
- (c) pay an amount satisfactory to the Commissioner that is equal to not less than 10 per cent of the taxes, interest and penalties which have accrued under the other taxing Acts and execute an agreement with the Authority for the purpose of making scheduled payments to liquidate the sums owed under those Acts.

(3) A tax clearance certificate shall bear the date of its issue, state the period from that date for which it is valid and certify that

- (a) no taxes are due under the taxing Acts;
- (b) all taxes, interest and penalties which have accrued under the taxing Acts have been paid; or
- (c) a percentage of the taxes, interest and penalties which have accrued under the taxing Acts has been paid.

(4) For the purposes of this section,

“conveyance” has the meaning assigned to it by section 2 of the *Property Act*, Cap. 236; and

“taxing Acts” means

- (a) the *Excise Tax Act* (Act 2015-32);

- (b) the *Income Tax Act*, Cap. 73;
 - (c) the *Land Tax Act*, Cap. 78A;
 - (d) the *Value Added Tax*, Cap. 87,
- and any subsidiary legislation made thereunder.”.

Amendment of First Schedule to Act 2014-1

4. *The First Schedule to the principal Act is amended by deleting paragraph 10 and substituting the following:*

“10. *Excise Tax Act* (Act 2015-32)”.

Amendment to certain enactments

5. *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

(Section 5)

CONSEQUENTIAL AMENDMENTS

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
1. <i>Land Tax Act, Cap. 78A</i>	<p>1. In section 41, delete subsection (1)(a) 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: 40px;">(a) a valid tax clearance certificate issued in accordance with section 8A of the <i>Barbados Revenue Authority, Act (Act 2014-1)</i> that</p> <p style="padding-left: 80px;">(i) includes a statement that all tax due on the land has been paid or that no tax is due on the land;</p> <p style="padding-left: 80px;">(ii) bears the date of its issue; and</p> <p style="padding-left: 80px;">(iii) states a period from the date of its issue for which it shall be valid; and".</p>

Schedule - (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
2. <i>Liquor Licenses Act</i> , Cap. 182	<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 a tax clearance certificate issued in accordance with section 8A of the <i>Barbados Revenue Authority Act</i> (Act 2014-1) and a certificate from the Director of National Insurance stating that all liabilities for the payment of taxes 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> <p style="padding-left: 40px;">(3) The tax clearance certificate and the certificate referred to in subsection (2) shall be issued by the Revenue Commissioner and the Director of National Insurance respectively, upon satisfaction that all liabilities for the payment of taxes or national insurance contributions, as the case may be, have been discharged.</p> <p style="padding-left: 40px;">(4) Where an applicant for the renewal of a liquor licence is not the fee simple owner of premises on which the business or trade to which the application for renewal relates is located, the requirement to show that an amount has been paid to liquidate any tax, interest or penalties which have accrued under the <i>Land Tax Act</i>, Cap. 78A, shall not apply to such an applicant."</p>

Schedule - (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
3. <i>Property Transfer Tax Act</i> , Cap. 84A	<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 tax clearance certificate issued in accordance with section 8A of the <i>Barbados Revenue Authority</i> (Act 2014-1) that includes a statement that</p> <p>(A) no input tax has been previously allowed under section 46(2) of the <i>Value Added Tax Act</i>; 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 in accordance with section 48(4) of the <i>Value Added Tax Act</i>, Cap. 87.";</p>

Schedule - (Concl'd)

Column 1

Column 2

Enactments

Amendments

3. *Property Transfer Tax Act*,
Cap. 84A - (Concl'd)

(b) delete subsection (3) and substitute
the following:

"(3) Where the declaration referred to in subsection (2) states that no input tax has been allowed, the statement referred to in sub-paragraph (iii) of subsection (1) is not required to be included on the tax clearance certificate in accordance with that sub-paragraph."

4. In section 13A, delete subsection (2) and substitute the following:

"(2) The stamp of the Registrar on a document or instrument of transfer denoting the issuance of a tax clearance certificate that includes a statement under sub-paragraph (iii)(B) of section 13(1) shall operate to release the land from the charge under subsection (1)."

Read three times and passed the House of Assembly this
day of _____, 2017.

Speaker

Read three times and passed the Senate this _____ day of
, 2017.

President