

2018-10-31

OBJECTS AND REASONS

This Bill would provide for the imposition of a tax to be known as a “fuel tax” and for related matters.

Arrangement of Sections

1. Short title
2. Interpretation
3. Imposition of tax
4. Payment of tax
5. Penalty and interest
6. Inspections
7. Waiver or refund of tax
8. Consolidated Fund
9. Regulations
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11. Act to bind the Crown
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SCHEDULE

BARBADOS

A Bill entitled

An Act to provide for the imposition of a tax to be known as a “fuel tax”
and for related matters.

ENACTED by the Parliament of Barbados as follows:

Short title

- 1.** This Act may be cited as the *Fuel Tax Act, 2018*.

Interpretation

2. In this Act,

“Comptroller” means the Comptroller of Customs;

“importer” means a person who imports petroleum products into Barbados for resale;

“petroleum products” means the products described in the Schedule;

“tax” means the tax imposed by section 3.

Imposition of tax

3.(1) Subject to this Act, there shall be charged on petroleum products, a tax to be known as a “fuel tax”.

(2) The tax referred to in subsection (1) shall be charged at the point of importation of the petroleum products at the rates specified in the Schedule.

(3) The Minister may, by order, amend the Schedule.

(4) An order made under subsection (3) is subject to negative resolution.

Payment of tax

4. Every importer shall, upon the removal of petroleum products from a warehouse, pay to the Comptroller the tax specified in section 3.

Penalty and interest

5.(1) An importer who fails to pay the tax in accordance with section 4 shall pay to the Comptroller, in addition to the tax, a penalty equal to 10 per cent of the amount that was not paid.

(2) An importer shall pay to the Comptroller, in addition to the penalty imposed under subsection (1), interest at the rate of one per cent per month on the amount that was not paid.

Inspections

6.(1) An officer of the Customs and Excise Department duly authorised by the Comptroller shall, at least once every month, enter any warehouse used for the storage of petroleum products and undertake an inspection and audit of the warehouse to verify

- (a) the inventory of petroleum products in the warehouse; and
- (b) the removal of petroleum products from the warehouse.

(2) A person who impedes, prevents or obstructs an officer of the Customs and Excise Department in the execution of his duties under this Act is guilty of an offence and is liable on summary conviction to a fine of \$20 000.

Waiver or refund of tax

7. The Minister may, where he is satisfied that it is just and equitable to do so, waive or refund, in whole or in part, any tax, penalty or interest payable under this Act.

Consolidated Fund

8. The tax collected pursuant to this Act shall be paid into the Consolidated Fund.

Regulations

9. The Minister may make regulations generally for the purpose of giving effect to this Act.

Validation

10. Notwithstanding sections 3(2) and 5 of the *Provisional Collection of Taxes Act*, Cap. 85, all tax purportedly paid to and collected by the Comptroller with effect from 1st July, 2018 shall be deemed to have been lawfully and validly paid and collected.

Act to bind the Crown

11. This Act binds the Crown.

Commencement

12. This Act shall be deemed to have come into operation on the 1st day of July, 2018.

SCHEDULE*(Sections 2 and 3)*

| TARIFF HEADING NO. | DESCRIPTION OF GOODS | RATE OF TAX |
|--------------------------|--|------------------|
| 2710.11.30 | Motor Spirit (gasoline) | \$0.40 per litre |
| 2710.19.20 | Illuminating kerosene | \$0.05 per litre |
| 27.19.40.100 | Diesel oil for use as fuel for road motor vehicles | \$0.40 per litre |

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

FUEL TAX BILL, 2018

EXPLANATORY MEMORANDUM

- Clause 1:* states the short title by which the Act may be cited.
- Clause 2:* defines certain terms used in the Act.
- Clause 3:* provides for the imposition of the fuel tax, the rates at which the tax will be charged and the method by which the rates may be amended.
- Clause 4:* provides for the payment of the tax by the importer.
- Clause 5:* provides for the penalty and interest to be charged for failing to pay the tax.
- Clause 6:* provides for inspection of a warehouse by an officer of the Customs and Excise Department.
- Clause 7:* vests in the Minister the power to waive or refund any tax, penalty or interest payable under the Act.
- Clause 8:* provides for the payment of the tax into the Consolidated Fund.
- Clause 9:* vests in the Minister the power to make regulations under the Act.
- Clause 10:* validates the purported payment and collection of the tax pursuant to the Budgetary Proposals 2018.
- Clause 11:* provides that the Act is binding on the Crown.
- Clause 12:* states the date from which the Act takes effect.