

2023-02-06

**OBJECTS AND REASONS**

This Bill would amend the *Value Added Tax Act*, Cap. 87 to temporarily reduce the rate of tax payable on the supply of electricity for domestic premises.

*Arrangement of Sections*

1. Short title
2. Amendment of section 7 of Cap. 87

## **BARBADOS**

A Bill entitled

An Act to amend the *Value Added Tax Act*, Cap. 87 to temporarily reduce the rate of tax payable on the supply of electricity for domestic premises.

ENACTED by the Parliament of Barbados as follows:

**Short title**

1. This Act may be cited as the *Value Added Tax (Amendment) Act, 2023*.

**Amendment of section 7 of Cap. 87**

2. *Section 7 of the Value Added Tax Act, Cap. 87 is amended by inserting immediately after subsection (13), the following new subsections:*

“(14) Notwithstanding subsection (1), the tax imposed by that subsection on the supply of electricity for domestic premises shall be 7.5 per cent of the value of such supply of electricity not exceeding 250 kilowatt hours, inclusive of the customer charge.

(15) For the purposes of subsection (14), the tax imposed for the supply of electricity in excess of 250 kilowatt hours for domestic premises shall be 17.5 per cent.

(16) The tax imposed by subsections (14) and (15) is payable by the registrant at the time the supply is made.

(17) Subsections (14) and (15) shall be deemed to have come into effect on the 1<sup>st</sup> day of August, 2022 and shall cease to have effect on the 30<sup>th</sup> day of September, 2023.

(18) The Minister may, by order, extend the expiration date referred to in subsection (17). ”.