



**MINISTRY OF FINANCE
CUSTOMS & EXCISE DIVISION
TRINIDAD & TOBAGO**

TAX CONCESSIONS GRANTED TO RETURNING NATIONALS

Returning to reside permanently in Trinidad & Tobago? Well, there is good news for you!! The Government of Trinidad & Tobago is granting tax concessions to persons who are returning home to reside permanently.

In 1994, Government in an attempt to encourage nationals to return home, took a decision to grant tax concessions on a motor vehicle and household effects imported by such persons. The following is a summary of benefits to which a returning national is entitled.

MOTOR VEHICLES

(a) Requirements

In order to qualify for any relief of taxes, the person must satisfy all the following conditions:

- (i) the person must be eighteen years old and over, and
 - (A) is a citizen of Trinidad & Tobago, or
 - (B) was formerly a citizen of Trinidad & Tobago, or
 - (C) has citizenship of two (2) countries, one of which is Trinidad & Tobago, or
 - (D) is the spouse of a person referred to in sub-paragraphs (A), (B) or (C) above;
 - (E) obtains from the Minister to whom responsibility for trade is assigned, a licence

to import such vehicle in accordance with the Trade Ordinance and the Import Negative List published as Legal Notice No. 69 of 1999 **with respect to used right-hand drive vehicles** and Section 45(2)(h) of the Customs Act (Chap. 78:01) **with respect to left-hand drive vehicles**

- (ii) must have resided abroad for a continuous period of at least two (2) years. immediately prior to his return to Trinidad & Tobago;
- (iii) intends to reside in Trinidad & Tobago permanently;
- (iv) the person is the registered owner of the vehicle prior to his return to Trinidad & Tobago; **and imports the motor vehicle six months before or after his return.**
- (v) requires the vehicle for his personal use;
- (vi) must not sell or transfer the vehicle within two (2) years of its importation.

In accordance with Section 45A of the Customs Act (Chap. 78:01)

(b) Relief from Customs Duty.

Customs duty is normally payable at the following rates:

- (i) Vehicles with an engine size not exceeding 1599 cubic capacity (cc) - 25%
- (ii) Vehicles with an engine size exceeding 1599 cc but not exceeding 2000 cc-35%
- (iii) Vehicles with an engine size exceeding 2000 cc but not exceeding 3000 cc-40%
- (iv) Vehicles with an engine size exceeding 3000 cc-45%

Customs duty is based on the Cost, Insurance and Freight (C.I.F.) Value of the vehicle

In accordance with Section 45A(1) of the Customs Act (Chap. 78:01), a returning national can benefit from the relief of Customs duty at the following rates:

- (aa) where he is the registered owner of the vehicle for not more than six months, 25% relief of the duty payable.
- (bb) where he is the registered owner of the vehicle for more than six (6) months but not more than one (1) year, 50% relief of the duty payable.
- (cc) where he is the registered owner of the vehicle for more than one (1) year, 90% relief of the duty payable.

(c) Relief from Value Added Tax (VAT)

There is no relief from the payment of VAT to which a returning national is entitled in respect of a motor vehicle imported by the returning national.

(d) Relief from Motor Vehicles Tax

The following are the rates of Motor Vehicle Taxes:

ENGINE SIZE (cc)	M/V Tax (\$)
engine size not exceeding 1599 cc	5.00
engine size exceeding 1599 cc but not exceeding 1799 cc	8.00
engine size exceeding 1799 cc but not exceeding 1999 cc	15.00
engine size exceeding 1999 cc but not exceeding 2499 cc	25.00
engine size exceeding 2499 cc but not exceeding 2999 cc	30.00
engine size exceeding 2999 cc but not exceeding 3499 cc	35.00
engine size exceeding 3499 cc	50.00

However, a returning national may be granted relief from the payment of Motor Vehicles Tax at identical rates in the case of Customs duty as specified in (b), (aa) - (cc) above in accordance with Part II of Appendix A to the Fourth Schedule of the Motor Vehicle and Road Traffic Act, Chap.48:50

HOUSEHOLD EFFECTS

(A) CATEGORIES

There are two categories of household effects:

- (a) items, which are in the use and possession of the passenger for at least one (1) year - No duties and taxes are payable. Any passenger can benefit from this measure, in accordance with item 6(b) of the Second Schedule.
- (b) In the case of household effects which are owned for less than one (1) year, **only a returning national** may be granted tax concessions but must satisfy all the following conditions:
 - (i) Must have resided abroad continuously for at least five (5) years and returning home to reside permanently, in accordance with item 6(c) of the Second Schedule;
 - (ii) the total value of the goods must not exceed a C.I.F. value of \$100,000.00 TT in accordance with item 6(c) of the Second Schedule and must be owned by the Importer and must not be for sale or exchange;
 - (iii) the household effects must be imported within two (2) months before or after the arrival of the returning national or such further period as the Comptroller of Customs and Excise may allow in any special circumstances in accordance with item 6(d) of the Second Schedule;

(B) RELIEF FROM DUTIES AND TAXES

Should the returning national meet the requirements in respect of household effects which are owned for less than one (1) year, no Customs duty or VAT is payable on the first \$100,000.00 TT. The returning national only pays a Special Tax of 10% of the C.I.F. Value, in accordance with Part XII of the Miscellaneous Taxes Act, Chap. 77:01

Where the value of the goods exceeds a C.I.F. value of \$100,000.00, goods allocated to the excess would attract the respective rate of Customs duty in accordance with the First Schedule of the Customs Act (Chap. 78:01) and the respective VAT.

(C) HOUSEHOLD EFFECTS - Definition

The term 'household effects' shall include items as air conditioning units, bedding, carpets, clocks, crockery, glassware, cutlery, electrical fans, furniture, record players, household electrical appliances, irons, kitchen and other domestic utensils, lamps, lanterns, household linen, perambulators, pianos, pictures, sewing machines, silver and plated ware, stoves and electrical cooking and heating apparatus, tape recorders, lap-top computers and other like articles.

However, it excludes motor vehicles, building materials, and foodstuffs.

(D) PROCEDURE

In order to benefit from tax concessions, the returning national must-

- (a) provide proof of residence abroad, e.g. passport. employment records;
- (b) provide proof of ownership of vehicle, e.g. registration certificate;
- (c) provide an affidavit sworn before a local Commissioner;
- (d) present two (2) passport-size pictures;
- (e) present a Customs declaration Form (Customs entry) in person and attest in writing that the legal requirements have been met.

It is advisable that a licensed Customs Broker prepares the Customs entry.

After the Customs official accepts the Customs entry, Customs duty, Motor Vehicles Tax, VAT and Special Tax (Household effects) are payable to the Customs and Excise Division.

WARNING: Heavy penalties are imposed for false declarations.

(E) SUMMARY

The above generally describes the tax concessions from which a returning national may benefit, and are provided for general information. However, discussions in this article must not be substituted for law.