

BULLETIN

Additional Legislative Amendments

As part of the 2015/2016 Budget Communication several Bills were tabled in the House of Assembly. Now in force, these Acts will affect businesses and change the way government agencies operate. We previously issued bulletins concerning changes to the [Business Licence](#) and [Real Property Tax](#) regimes. This bulletin highlights a number of miscellaneous legislative amendments of which you should also be aware.

New Taxes and Penalties for Late Payment

The Sprints and Beer Manufacture Act has been amended to provide that a tax of sixty cents per gallon will be payable on non-alcoholic beer manufactured in The Bahamas by persons licensed under the provisions of that Act.

The Passenger Tax Act, Port Authorities Act and Customs Management Act have been amended to provide for a ten per cent surcharge to be levied on any sum of money due and payable under each of those Acts which is not paid within thirty days of the due date.

As a result of changes to the Financial Administration and Audit Act, payments made by any person shall be applied first to the settlement of any penalty, fine and interest due from the person. Payments made to settle obligations made under more than one statute shall be applied in the following order of priority: (1) Business Licence Act; (2) Value Added Tax Act, (3) Stamp Act, (4) Customs Management Act, and (5) Real Property Tax Act.

Persons submitting tenders for public contracts, applying for any statutory concession or registering ownership of any property will be required to submit a Tax Compliance Certificate issued by the Financial Secretary. Tax Compliance Certificates will provide proof that payments of tax liabilities and wage-related statutory deductions are current. They will be valid for a period of six months where the contract sought is valued less than \$10,000 and one month where the value is \$10,000 or more.

New Customs Provisions

After years of lobbying by dealers and others, the Customs Management Act has been amended to prohibit the importation of motor cars and other motor vehicles with a non-rebuildable title. The importation of motor vehicles and motor cycles that are 10 years old or older is also prohibited unless it has been authorised by the Minister.

Drones have also been added to the list of "restricted goods". As at the date of this bulletin, no conditions for the importation of drones have been published and the restriction may therefore be considered absolute.

The Comptroller of Customs may now require an importer to produce a tax identification number where he reasonably believes that goods are being imported for a commercial purpose.

Duty Exemptions

Both the Tariff Act and the Excise Act have been amended to permit returning

residents to import duty free their household effects valued up to \$10,000 and one motor vehicle valued up to \$30,000. To qualify for this exemption, the returning resident must be a Bahamian citizen or permanent resident who has been absent from The Bahamas for at least two consecutive years and is returning to reside in The Bahamas. The returning resident must have been employed or enrolled in post-secondary school full time at some time during the period of absence unless he/ she is retired. This exemption may not be used more than once every five years.

Original works of art may be imported duty free on the approval of the Minister acting on the recommendation of the Director of the National Art Gallery. This exemption will expire on June 30, 2016.

The Family Islands Development Encouragement Act has been amended to remove customs duty and excise concessions for the importation of mechanical materials used in construction and to allow such concessions on the importation of air-conditioning units and materials. Concessions under the Family

Islands Development Encouragement Act and the City of Nassau Revitalization Act have been extended until June 30, 2016.

The Water and Sewerage Corporation Act has been amended to make it clear that the Water and Sewerage Corporation may not assign, transfer or delegate to any other party any customs duty exemption to which it is entitled. Any such purported assignment, transfer or delegation is void and of no effect.

Collection of Real Property Tax

As of July 1, 2015, Local Government Councils have been empowered to collect real property taxes for properties in their districts based on assessment lists compiled by the Chief Valuation Officer.

Banks and Trust Companies

The Banks and Trust Companies Regulation Act has been amended to allow the Central Bank to withhold from fees paid to it sums agreed with the Minister to fund the operations of the Central Bank, the Securities Commission, the Insurance Commission and the Compliance Commission.