

OBJECTS AND REASONS

This Bill would amend the *Value Added Tax Act* in accordance with the Financial Statement and Budgetary Proposals for 2009 to

- (a) provide for a rebate to be paid to persons who are building or purchasing a home for the first time who satisfy the specified conditions; and
- (b) provide a tax exemption in respect of locally produced items of art and craft which are sold at the Grantley Adams International Airport or the Port of Bridgetown.

Arrangement of Sections

Section

1. Short title.
2. Amendment of section 55A of Cap. 87.
3. Amendment of First Schedule to Cap. 87.
4. Amendment of enactment set out in the Schedule.

SCHEDULE

BARBADOS

A Bill entitled

An Act to amend the *Value Added Tax Act*.

ENACTED by the Parliament of Barbados as follows:

- 1. This Act may be cited as the *Value Added Tax (Amendment) Act*, Short title. *2010*.**

Amendment
of section
55A of Cap.
87.

2. Section 55A of the *Value Added Tax Act*, in this Act referred to as the principal Act, is deleted and the following is substituted:

"Rebate on
building
materials.

55A. (1) Subject to subsections (3) to (5), a person who acquires a dwelling house for the first time by

(a) building the dwelling house; or

(b) purchasing the dwelling house,

may apply to the Comptroller in accordance with subsection (2) for a rebate on the building material used in the construction of the dwelling house where the house

(i) is valued at not more than \$400 000; and

(ii) is being used by that person as his residence.

(2) Notwithstanding section 61, the application referred to in subsection (1)

(a) shall be made within 2 years of the date on which the construction of the dwelling house was completed;

(b) shall be in such form as the Comptroller approves; and

(c) shall be accompanied by

(i) a valuation of the dwelling house prepared by the Commissioner of Land Tax or a registered valuer;

(ii) a Certificate of Compliance issued by the Chief Town Planner; and

(iii) a sworn affidavit stating that the applicant has satisfied the requirements of section 55A(1) and that he is using the dwelling house as his residence.

S. I. 1996
No. 135.

(3) The rebate referred to in subsection (1) shall be calculated in accordance with regulation 6A of the *Value Added Tax Regulations, 1996*.

(4) The rebate referred to in subsection (1) shall be granted only once in respect of any particular dwelling house.

Act 2007-
49.

(5) A person who has purchased a dwelling house from an approved developer within the meaning of the *Housing Incentives Act* is not eligible to apply for a rebate under subsection (1).

Act 2010-

(6) This section shall not be interpreted as permitting rebates to be granted in respect of dwelling houses that have been constructed before the commencement of the *Value Added Tax (Amendment) Act, 2010*."

3. The First Schedule to the principal Act is amended by adding the following item at the end thereof:

Amendment
of First
Schedule to
Cap. 87.

"24. A supply of locally produced handicraft or handmade artistic creations of any kind which are sold by a registrant at the Grantley Adams International Airport or the Port of Bridgetown."

4. The *Value Added Tax Regulations, 1996* are amended in the manner set out in the *Schedule*.

Amendment
of enactment
set out in the
Schedule.
S. I. 1996
No. 135.
Schedule.

SCHEDULE

(Section (4))

Enactment

*Value Added Tax
Regulations, 1996
(S. I. 1996 No. 135)*

Amendment

Delete regulation 6A and substitute the following:

"Rebate on building materials.

6A. (1) For the purposes of section 55A of the Act, the rebate on building materials shall be calculated at 7 per cent of the value of the dwelling house; but where the value of the dwelling house exceeds \$200 000, the value of the house for the purposes of the rebate shall be deemed to be \$200 000.

(2) A rebate granted under section 55A of the Act shall not exceed \$14 000."