

**SUMMARY OF 2015 BUDGETARY PROPOSALS MEASURES**

1. 25% reduction in fees and licenses related to operating a number of businesses in Barbados under the Professions, Trades and Business Registration Act.
2. CESS on all milk and milk substitutes: 5% for milk products containing 60% or more of liquid fresh cow's milk and a 10% for all other milks & milk substitutes.
3. From September 1<sup>st</sup> 2015 a new VAT Basket of basic food items.
4. All other food items from the original VAT Basket subject to the standard rate of the VAT of 17.5 %.
5. From September 1<sup>st</sup> 2015, all betting and gaming services and supplies which are currently exempted from VAT will be subject to pay VAT at the standard rate of 17.5 %.
6. Effective January 1<sup>st</sup> 2016, the VAT registration threshold requirement will be increased from the current level of 80, 000 dollars to 200, 000 dollars.
7. Deductions for contributions to special funds, etc. the applicable claim will be reduced from 150.0 or 120.0 percent where applicable to 100.0 percent.
8. Effective tax year 2015 Group Losses will no longer be allowed and losses will be carried forward for only seven years.
9. Effective Income Tax Year 2015 only the following deductions will be allowed along with the existing personal allowances; contributions to trade unions and statutory associations, one off donations to charities including the church, and energy audit retrofits. Other special credits such as foreign currency earnings allowance and double taxation relief will also remain in keeping with Treaty arrangements.

10. Current Income tax rate of 17.5% will be reduced to 16% and the higher rate of 35% to 33.5%.
11. Effective immediately all those individual professional operators provided for under the registration regime of the Profession, Trade, and Business Registration Act, shall be required to produce a valid tax clearance certificate from the Barbados Revenue Authority in order to renew their respective licenses to practice in this jurisdiction.
12. The proposed new Land Tax structure effective 2015-2016:

<b>Tax Year</b>	<b>Vacant Land</b>	<b>Non-Residential</b>	<b>Residential</b>
2015-16	0.80%	0.70%	0.0% on First \$150,000 0.1% on the next \$300,000 0.45% on the next \$550,000 0.75% on excess over \$1,000,000

13. Effective August 1<sup>st</sup> 2015 a mobile airtime excise duty on cellular phones will be imposed at a nominal rate \$0.03 per minute for both service providers LIME and Digicel.
14. New Excise on Sweetened Beverages at rate of 10 % imported and locally produced.
15. Establishment of a Health Care Capital Expenditure Trust Fund with the government providing an endowment of \$20 million to the initial capitalization of the Fund. Funds to be taken from the dissolved Catastrophe Fund.
16. Transfer of fuel CESS revenues to pay down the arrears at the Queen Elizabeth Hospital.

17. Establishment of a Scholarships and Grants Program to aid with University of the West Indies Tuition fees with \$2,500,000.00 in the first year (2015/2016 academic year), \$5,000,000.00 in the second year (2016/2017 academic year) and \$7,500,000 in the third year (2017/2018 academic year) to reach \$15,000,000 over the three-year period.
18. Proposed new Tipping fees:
  - Set of \$40 per load for all categories of waste tipped at the Waste Treatment Facility inclusive of Municipal Solid Waste, Rock and Soil/Construction and Demolition Waste, Green Waste, Coconuts and;
  - Liquid waste delivered to be handled by the Sanitation Services Authority will also be charged at \$40 a truck load.
19. Proposed increase in government user and service fees across a number of areas including: Agriculture Service fees, the Barbados Fire Service fees, Government Day Care Centre fees, Immigration Services fees and the general user fees for Corporate Affairs and Registry Services to name a few.
20. A 50% reduction in discretionary and non-critical subscriptions and contributions.