

2015

VALUE ADDED TAX
(AMENDMENT)

ACT 12

303

COMMONWEALTH OF DOMINICA

ACT NO. 12 OF 2015.

I assent



CONRAD O. MCINTYRE
President (Ag)

27th November, 2015.

**AN ACT TO AMEND THE VALUE ADDED TAX
ACT 2005 (NO. 7 OF 2005).**

(Gazetted 27th November, 2015.)

BE IT ENACTED by the Parliament of the Commonwealth of
Dominica as follows:

1. This Act may be cited as the –

Short title.

VALUE ADDED TAX (AMENDMENT) ACT, 2015.

Interpretation.
No. 7 of 2005.

2. In this Act “the Act” refers to the Value Added Tax Act 2005.

Amendment of section
21.

3. Section 21 of the Act is amended -

(a) in paragraph (a) by deleting the word “or”;

(b) in paragraph (b) by deleting the word “Dominica.” and substituting the words “Dominica; or”;

(c) by inserting the following new paragraph -

“(c) the import is exempted under section 21A, 21B or 21C.”.

Insertion of new section
21A, 21B and 21C.

4. The Act is amended by inserting the following new sections 21A, 21B and 21C immediately after section 21:

“Exempt
import:
capital
goods.

21A. The Comptroller shall exempt from tax, capital goods imported, if the following conditions are satisfied before the importation –

(a) the importer is a registered person under section 11(5);

(b) the importer has a valid licence under the Hotels Aid Act or the Fiscal Incentives Act;

(c) the importer has not commenced taxable activity;

(d) the Minister approves of a Master List of the capital goods eligible for exemption;

(e) the goods are consigned directly to the approved importer;

Chap. 85:04.
Chap. 84:05.

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- (f) capital goods eligible for exemption are goods to be used in a taxable activity and goods that qualify under section 26 of the Act;
 - (g) the importer whose investment has been approved under (b) above has filed all required returns and paid all taxes due under all tax acts; and
 - (h) the importer agrees to pay the amount of tax otherwise payable on the import of the capital goods if the importer violates the terms of the licence agreement, if the importer's registration is cancelled as a result of the expiration of the licence, or if the registration is cancelled in accordance with provision of this act.

Exempt
import:
mixed use
resort.

21B. (1) Notwithstanding that part of a mixed use resort has commenced taxable activity, the Comptroller shall exempt from tax, capital goods imported for use in the part of a mixed use resort which has not commenced taxable activity if the conditions specified in section 21A (a), (b), (d), (e), (f), (g) and (h) are satisfied.

(2) For the purposes of this section "mixed use resort" means an integrated development with a variation of business models including villas, hotels, condominiums, fractional, time shares and private residence clubs.

Exempt
import:
natural
disaster.

21C. Cabinet may exempt from tax goods imported for the purpose of relief or rehabilitation during or within 6 months of the occurrence of a natural disaster."

Amendment of section
26 of the Act.

5. Section 26 of the Act is amended in subsection (3) by deleting paragraph (c) and substituting the following:

“(c) in respect of a supply or import received which is used for the making of both taxable and exempt supplies, the amount calculated according to the following formula - AXB/C

where -

A is a total amount of input tax payable in respect of supplies and imports received during the period, less the sum of the input tax accounted for under paragraphs (a) and (b) of this subsection and the input tax disallowed under subsection (2);

B is equal to the total value of taxable supplies made by the taxable person during the period;

C is equal to the total value of all supplies made by the taxable person during the period.”.

Amendment of Schedule
I of the Act.

6. Schedule I of the Act is amended by inserting the following new paragraph after paragraph (h) under the heading “SUPPLY OF SERVICES”:

“(i) a supply of accommodation for no consideration -

(i) to tour operators, travel agents, travel writers, journalists and photographers recommended by the Discover Dominica Authority and approved by the Minister to facilitate their promotion of Dominica as a travel destination or for the promotion of the services offered by the provider of the accommodation;

(ii) for any other marketing activity approved by Cabinet.”.

7. Schedule II of the Act is amended in paragraph 2 -

Amendment of Schedule II of the Act.

(a) in subparagraph (bb) by inserting the following immediately after the word “propellers”:

“, canoes and rowing boats approved for use in fishing by the Chief Fisheries Officer”.

(b) by inserting the following paragraph (fa) after paragraph (f):

“(fa) a supply of accommodation in a villa to the owner of the villa where levy has been paid under the Residential Levy Act 2015 in relation to the villa;”;

(c) paragraph (ff) after paragraph (ee):

“(ff) meals provided by a hotel to employees for no consideration.”.

8. Schedule III of the Act is amended by deleting paragraph 4.

Amendment of Schedule III of the Act.

Passed in the House of Assembly this 26th day of November, 2015.

HETHLINE BAPTISTE (MS.)
Clerk of the House of Assembly(Ag.)

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