



MINISTRY PAPER # 18/2021

REVENUE MEASURES FOR FINANCIAL YEAR 2021/2022

Ministry of Finance and the Public Service
9th March 2021

REVENUE MEASURES – FY 2021/2022

The Honourable House is invited to take note of the following revenue measure for Fiscal Year 2021/2022. This measure supports the 2020-2021 tax reform that saw reduction in tax rates and the implementation of an income tax credit for the Micro, Small and Medium Enterprises (MSME). The proposed measure will provide the productive sector with support in the economy recovery needed given the negative impact the COVID-19 pandemic.

Imposition of a *De minimis* value of up to US\$500 on outright/direct/permanent exports, for the purposes of the CAF.

- a) The Honourable House may recall that as part of Revenue Measures 2013/2014, the Customs Administrative Fee (CAF) was introduced as a measure to supplant the Customs User Fee.
- b) The measure provided for an exemption on the *De minimis* value on imports equal to or below Freight On Board value of US\$50.00. There was no such allowance for exports. Currently there is an export processing fee/CAF of three thousand dollars (J\$3,000.00) per declaration for Outright/Direct/Permanent¹ Exportation Declarations.
- c) It is expected that this proposed imposition of a *De minimis* value will assist in the growth of Jamaica's export sector, especially as it relates to our MSMEs.

The potential revenue loss from this measure is estimated at \$70.785 million. The effective date for implementation is 1st April 2021.

SUMMARY OF REVENUE MEASURES

Revenue Measures and Associated Potential Revenue Effects.	J\$ Million
	Annualized
Imposition of a <i>De minimis</i> value of up to US\$500 on outright/direct/permanent exports, for the purposes of the CAF.	(70.785)
Total	(70.785)



Nigel Clarke D.Phil, MP
Minister of Finance and the Public Service
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¹ There are other types of exports, such as Temporary Exportation, Re-exportation/Importation for subsequent exportation, Transit to Export or Export from Special Customs Zones which may involve additional processing.



Ministry of Finance and the Public Service
30 National Heroes Circle, Kingston 4, Jamaica W.I. Tel (876) 922-8600-16
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