

Ministry Paper No.

84

**Additional Taxation Measures for
2002/2003**

December 17, 2002

Ministry of Finance and Planning

MINISTRY PAPER NO.....

ADDITIONAL TAXATION MEASURES FOR FISCAL YEAR 2002/2003

Members of this Honourable House are invited to take note of the following additional tax measures being proposed for introduction with effect from January 1, 2003.

1. **Increase in Motor Vehicle Licensing Fees**
Motor vehicle licensing fees were last increased in June 1999. It is proposed to increase all licensing fees as indicated in appendix 1.
2. **Increase in Motor Vehicle Examination Fees**
Motor vehicle examination fees were last increased in May 1998. It is proposed to increase the fees for examination/testing of motor vehicles for roadworthiness along with examinations and road tests for individuals applying for driving licences by 100%. For example, the current certificate of fitness for private motor cars is \$750. The proposal would see this fee increased to \$1,500.
3. **Increase in the cost of Gun Licences**
The cost of gun licences was last increased in April 1998. It is proposed that these costs be increased as follows:
 - (i) Firearm Dealers Licence from \$2,500 to \$10,000
 - (ii) Firearm Users Licence from \$1,500 to \$3,000
 - (iii) Firearm Users Licence (Specific places) from \$1,000 to \$3,000
4. **Increase in Traffic Fines**
Traffic fines were increased in 2002. It is however proposed that current fines be further increased the details of which will be presented by the Honourable Minister of National Security.
5. **Other Licences**
Those making up other licences including spirit licences etc. were last increased more than 10 years ago. It is proposed that they be increased as follows. Current fees are as follows:

TYPE	PROPOSED	PRESENT	COURT COST
SPIRIT LICENCE FEES			
WHOLESALE SPIRIT	\$15,000	\$7,500)	Court cost in these cases is presently \$40. To be increased to \$500
SPECIAL HOTEL SPIRIT	\$10,000	\$5,000)	
HOTEL SPIRIT	\$ 6,000	\$3,000)	
CLUB SPIRIT	\$ 6,000	\$3,000)	
TOWN OFF SPIRIT	\$ 5,000	\$2,000)	
TAVERN	\$ 5,000	\$5,000)	
TOWN RETAIL	\$ 3,500	\$1,600)	
BEER GARDEN	\$ 1,000	\$ 50)	

TYPE	PROPOSED	PRESENT
CLUB REGISTRATION FEES		
PROPRIETORS CLUB	\$4,000	\$2,000
MEMBER CLUB	\$1,000	\$ 500
OTHER LICENCE FEES		
SPIRITUOUS COMPOUNDS	\$2,000	\$1,000
AUTIONEER	\$5,000	\$ 500
TRAVEL AGENCY	\$2,000	\$ 500
TRAVEL AGENCY REGISTRATION/INSP.	\$5,000	\$1,000
AGRICULURAL PRODUCE 1,2&3	\$ 100	\$ 5
RETAIL PETROLEUM LICENCE FEES		
A GRADE STATION 240,000 GALS. AND OVER	\$10,000	\$1,500
B GRADE – 120,000- 240,000 GALLONS	\$ 7,500	\$ 900
C GRADE – UNDER 120,000 GALLONS	\$ 5,000	\$ 450

6. A general review of penalties under the Income Tax and Customs Act is also proposed view to bringing them more in line with those provided for under the General Consumption Tax Act. This is expected to improve the level of compliance. A list of the penalties under both Acts and the proposed increases is attached at appendix II.

Summary of Proposals

Measure	Expected Inflows \$mn
1. Increase in Motor Vehicle Licences	86
2. Increase in Motor Vehicle Examination Fees	29
3. Increase in Gun Licence Fees	12
4. Increase in Traffic Fines	16
5. Increase in other licences and fees	12
6. Increase in Penalties under Income Tax and Customs Duty Acts	50
TOTAL	205

Omar Davies MP
Minister of Finance & Planning
December 17, 2002

ANNUAL MOTOR VEHICLE LICENCES

Type of Vehicle	Existing	Proposed
Motor Cycles	\$	\$
Motor cycles not exceeding 125 cc	500	700
Motor cycles exceeding 125 cc but not exceeding 500 cc	1,000	1400
Motor cycles exceeding 500 cc	1,500	2,500
Motor Cars (Taxis)		
Motor Cars	2,000	2,750
Motor cars not deriving motive power from an internal		
Combustion engine worked by cylinder(s)	2,000	2,750
Motor cars (other than taxis)		
Motor cars not exceeding 1199cc	2,000	2,750
Motor cars exceeding 1199cc but not exceeding 2999cc	3,000	4,000
Motor cars exceeding 2999c, but not exceeding 3999cc	6,000	8,000
Motor cars exceeding 3999cc	10,000	13,500
Trucks and Tractors		
Trucks and tractors not exceeding 2540.115kgs	3,000	4,000
Trucks and tractors exceeding 2540.11kgs but not exceeding 6109.09kgs	6,000	8,000
Trucks and trailers exceeding 6109.09 kgs	6,000 plus \$100 per cwt over 120 or 3,000 plus \$100 per 50.91kgs over 6109kgs	8,000 plus \$100 per cwt over 120 or 3,000 plus \$100 per 50.91 kgs over 6109kgs
Trailers	\$50 per cwt/50.91kgs	\$75 per cwt/50.91kgs

SECTION	OFFENCE	EXISTING PENALTY	PROPOSED PENALTY
72(5)(b)	Knowingly and willfully aids and abets, incites, etc. another person to make or deliver false or fraudulent account, statement etc. of or concerning any profits, etc.	Fine not exceeding \$1,000.00 or term not exceeding 12 months.	Fine not exceeding \$100,000.00 or term not exceeding 24 months.
75 (5) (b)	Refusing or neglecting to give evidence or produce records in pursuance of a notice served on him.	Fine not exceeding \$5,000.00 or term not exceeding 12 months as per Section 100.	Increase fine to \$10,000.00.
78A	A responsible officer failing to notify Collector within fifteen days after end of month, or outstanding balances pursuant to the Regulations.	Fine not exceeding \$1,000.00 or term not exceeding 6 months and \$50.00 daily for continuing offense.	Fine not exceeding \$10,000.00 or term not exceeding 12 months and \$1,000.00 daily for continuing offense.
91 (1)	See Section 75 (5) (b)	See Section 75 (5) (b)	See Section 75 (5) (b)
92 (2)	Failure to comply with provision of the regulations requiring furnishing of returns or other information etc.	Fine not exceeding \$200.00 and if continued, a further penalty of \$200.00 daily	Fine not exceeding \$10,000.00 and if continued a further penalty of \$1,000.00 daily.
99 (1)	Knowingly making false statement or representation.	Fine not exceeding \$10,000.00 and treble tax which he ought to be charged or term not exceeding five years.	Fine not exceeding \$100,000.00 or term not exceeding five years.
99 (2)	Aids and abets, incites another person to make false returns etc. or keep or prepare false accounts, statements concerning any profits.	Fine not exceeding \$5,000.00 or term not exceeding 12 months.	Fine not exceeding \$1000,000.00 or term not exceeding 24 months.
99 (3)	Person by himself or by any person in his employ, obstructs, molests or hinders an income tax officer in the execution of his duty.	Fine not exceeding \$5,000.00 or term not exceeding 12 months.	Increase fine to \$50,000.00 or term not exceeding 12 months.

SECTION	OFFENCE	EXISTING PENALTY	PROPOSED PENALTY
99 (4)	See Section 78 A	See Section 78 A	See Section 78 A.
100	Any offence to which no specific penalty is provided.	Fine not exceeding \$5,000.00 or term not exceeding 12 months.	Increase fine to \$10,000.00 or term not exceeding 12 months.
101	Refusing to allow a deduction of tax to be made out of any payment.	\$100.00	Increase fine to \$5,000.00.
1 st Schedule Part 1VB, 6(3)	Failure to notify the Commissioner of transfer to machinery before three years which is subject of the grant of a special capital allowance	Penalty of \$5,000.00 plus three times the amount of special capital allowance granted.	Increase penalty to \$10,000.00 plus three times the amount of special capital allowance granted.

The Customs Act
Revision of Penalties

SECTIONS	SUBJECTS (Breaches)	CURRENT PENALTIES	PROPOSED PENALTIES
51	For breaching the procedure on arrival	Master incurs a penalty of \$20,000.00	\$100,000.00
60	Goods found on board any ship not exceeding one hundred tons for which account cannot be obtained.	Forfeiture of goods addition to payment of \$2,000.00	Forfeiture of goods in addition to payment of \$50,000.00
64(2)	(a) For not providing proper and sufficient food (b) For not providing suitable sleeping accommodation	Master incur a penalty of \$500.00	\$100,000.00
68	The master of a air craft or ship not making due report	\$5,000.00 plus forfeiture of all goods not reported	\$100,000.00 plus forfeiture of all goods not reported.
71	Inaccurate or incomplete information concerning the ship, its crew, passengers and cargo	\$2,000.00 for each offence	\$100,000 .00 for each offence
79	For not giving full and true account of bullion removed from importing vessel within 48 hours	\$1,000.00	\$100,000.00
94(2)	For allowing person to leave aircraft or ship after arrival except as permitted under the Act	The Master or his Agent shall be guilty of an offence and shall incur a penalty of \$500.00	\$100,000.00
98(3)	Persons who refuse to attend inquiry into matters concerning private warehouse	\$500.00	\$100,000.00
106	For interfering with storage of goods in a private warehouse without the knowledge of the proper Officer	Forfeiture of goods	Forfeiture of goods plus \$100,000.00
108	Failure to comply with the directions for storing goods	\$100.00 per package plus a further \$10.00 for each day during which such package remain	\$25,000.00 per package plus \$1,000.00 per additional day

SECTIONS	SUBJECTS (Breaches)	CURRENT PENALTIES	PROPOSED PENALTIES
109(2)	Where the occupier fails to produce warehoused goods to the Officer within a particular period	\$10.00 per package not produced or accounted for	\$100,000.00 in addition to paying duties
110	Goods entered and not warehoused or warehoused but concealed or removed	Forfeiture of goods	Forfeiture plus \$200,000.00 to \$500,000.00
111	(a) Illegally opening a warehouse or Customs area and gaining access to goods	\$5,000.00	\$200,000.00
	(b) Unauthorized person entering a warehouse	\$500.00	\$100,000.00
112	(a) Any person who unlawfully take out any goods from any warehouse or Customs area without goods being entered or aids or assists or is concerned therein or	Imprisonment for a term not exceeding two (2) years	Imprisonment for a term not exceeding 5 years
	(b) Steals or embezzles any goods duly warehoused or deposited in a Customs area or unlawfully destroys any such goods	"	"
132 (9)	(a) If any person being a concessionaire infringes the condition under which in-bond concession was granted or fails to carry out any direction of the Commissioner	\$5,000.00	\$250,000.00
	(b) Any person not being a concessionaire or an approved agent with intent to deceive, displays any advertisement purporting to be concessionaire or an approved agent	\$20,000.00	\$500,000.00

SECTIONS	SUBJECTS (Breaches)	CURRENT PENALTIES	PROPOSED PENALTIES
139	Where the Master of certain ship or aircraft does not produce to the proper Officer an outward entry of such aircraft or ship.	\$1,000.00	\$100,000.00 and goods forfeited
144	The exportation of certain restricted goods.	\$1,000.00 and goods forfeited	\$100,000.00 and goods forfeited
149	Breach in respect of goods for export (sections 145 - 148)	Forfeiture of goods	\$200,000.00 and forfeiture of goods
155	For Short Loading bonded goods.	Forfeiture of goods	Forfeiture plus a fine not exceeding \$100,000.00
162	(a) For the departure of aircraft or ship without proper authority.	\$20,000.00	\$100,000.00
	(b) Where required information is omitted and not explained to the satisfaction of the Commissioner	\$5,000.00	\$100,000.00
163 (2)	Penalty for departing from port or place without the proper authority	\$20,000.00	\$100,000.00
163 (3)	Failure of Master or Agent to deliver content of ship as prescribed or if any particulars contained in such content be false or particulars omitted	\$5,000.00	\$100,000.00
164	Aircraft or ships departing without complying with special conditions as prescribed by the Minister by Notice	\$20,000.00	\$100,000.00
167	Failure to answer questions concerning aircraft, ship or cargo etc.	\$2,000.00	\$100,000.00
170	Where aircraft or ship has departed from the Island and returned and there is deficiency in the stores	Master shall pay duty on such deficiency in addition to penalty of \$1,000.00	Master shall pay duty on such deficiency in addition to penalty of \$100,000.00

SECTIONS	SUBJECTS (Breaches)	CURRENT PENALTIES	PROPOSED PENALTIES
171	Departing with an Officer on board without the Officer's consent and not giving explanation to the satisfaction of the Commissioner	\$1,000.00	\$200,000.00
173	Where goods are loaded and unloaded for delivery to another port within the island contrary to regulations or conditions set by the Commissioner.	Forfeiture of goods plus \$500.00	Forfeiture of goods plus \$50,000.00
175	Failure to display name and number of ship trading coast wise	\$5,000.00 and ship may be seized and detained until penalty is paid	\$10,000.00 and ship may be seized and detained until penalty is paid
177	Where coasting aircraft or ship deviate from flight or voyage or takes on board any wrecked or other goods or discharges goods not accounted for.	\$20,000.00 and aircraft or ship may be seized and detained until fine is paid	\$400,000.00 and aircraft or ship may be seized and detained until penalty is paid
178	For putting on board or attempting to put on board certain goods for carriage coast wise at places other than approved places	Forfeiture of goods	Forfeiture of goods and \$250,000.00
179	For loading and unloading coast wise cargo on Sundays and Public Holidays without permission of the Commissioner	Forfeiture of goods plus \$500.00 and aircraft or ship may be seized and detained until penalty is paid	Forfeiture of goods plus \$50,000.00 and aircraft or ship may be seized and detained until penalty is paid
180	For handling prohibited goods on coast wise carriage.	\$20,000 plus forfeiture of goods	\$100,000.00 plus forfeiture of goods.
182	Where packages entered in Cargo Book are found not to contain such goods or if imported goods found are not entered	Forfeited of goods	\$100,000.00 and forfeiture of goods
183	Failure to keep Cargo Book correctly or to produce same	\$500.00 and aircraft or ship may be seized and detained until penalty is paid	\$100,000.00 and aircraft or ship may be seized and detained until penalty is paid

SECTIONS	SUBJECTS (Breaches)	CURRENT PENALTIES	PROPOSED PENALTIES
		(c) Where Commissioner considers that fine of \$5,000.00 is inadequate in relation to the offence committed, Commissioner may take proceedings for condemnation of the aircraft or ship with penalty not exceeding \$20,000.00 at the discretion of the court, Commissioner may require deposit of amount not exceeding \$20,000.00. Failure to make deposit, the Commissioner may withhold clearance and detain aircraft of ship	\$100,000.00
198 (2)	Where any person armed with a fire arm or other offensive weapon or is disguised in any way and is found with goods liable to forfeiture under the Customs Act	Imprisonment not exceeding 3 years	Imprisonment not exceeding 5 years
198 (3)	Where any person by any means procures, hires, deposes or authorizes any person to procure or hire any person to assist in the evasion of the Customs Act	Imprisonment not exceeding 12 months	Imprisonment not exceeding 3 years
198 (4)	Where any person shall break or destroy any goods to prevent seizure or rescues or breaks or destroys to prevent the securing of goods seized or rescues, any person apprehended or obstructs any officer or aids or abets in the commission of the offense	Each offence incurs a penalty of \$5,000	Each offence incurs a penalty of \$100,000
199	For signaling to smuggling aircraft or ship.	Imprisonment not exceeding 12 months	Imprisonment not exceeding 3 years
200	Interfering with anything for the prevention of smuggling or for the use of customs	\$2,000.00	\$100,000.00

SECTIONS	SUBJECTS (Breaches)	CURRENT PENALTIES	PROPOSED PENALTIES
201	Where other than officer intermeddles with or take up spirit or prohibited goods found in the sea	Forfeiture of goods plus penalty of \$200.00	Forfeiture of goods plus penalty of \$10,000.00
204	Refusal by any person to stop or allow examination when required by any officer	\$4,000.00	\$100,000.00
213	Offering goods for sale under pretence that they are prohibited or smuggled.	Forfeiture of goods	Forfeiture of goods plus \$25,000.00
243	Imprisonment for second offence in lieu of payment of pecuniary penalty	Imprisonment not exceeding 1 year	Imprisonment not exceeding 5 years