

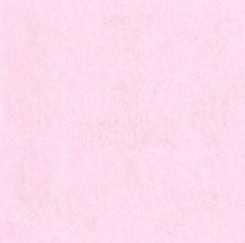
MINISTRY PAPER NO. 37/2012

REVISED REVENUE MEASURES FOR FINANCIAL YEAR 2012/2013

6th June 2012

Ministry of Finance and Planning





MINISTRY OF JUSTICE

REVENUE AND CUSTOMS
FINANCIAL YEAR 2013/14

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REVISED REVENUE MEASURES – FY 2012/2013

1. This Honourable House is advised that Revenue Measures tabled for this Fiscal Year 2012/2013, as tabled in the House on May 24th 2012, is hereby being amended to reflect the changes stated below. The Honourable House is being asked to note that the revenue measures, which were initially predicated on the essential tenets of the tax reform, are being further bolstered by the following amendments.
2. **Amendment to the GCT regime as it relates to Electricity**
 - a) The House is reminded that Ministry Paper # 32 proposed a change in the GCT regime for electricity, which included an increased threshold to 300 kWh for residential customers and a rate increase to the standard rate of sixteen and a half percent (16.5%).
 - b) After extended policy deliberations, the GOJ has determined that the GCT payable by residential customers should be removed.
 - c) The current proposal therefore is for the tax to be levied on commercial entities/businesses. The standard rate of 16.5% would remain applicable.
3. **Amendment to the Imposition of GCT on Selected Items**
 - a) The imposition of GCT on Animal feed and raw foodstuff (excluding chicken) items is to be rescinded.
 - b) It proposed that the original regime of GCT exemption will be introduced via the referencing of these items using the following nomenclature:
 - i. Animal Feed
 - ii. Domestic raw foodstuff (excluding chicken)
 - c) The regime on the imposition of GCT on printed material, books *etc* will be retained as proposed in Ministry Paper # 32, however concession will be granted

for private booksellers to retail textbooks – identified by the Ministry of Education – exempt from GCT.

4. Increase in Additional Stamp Duty (ASD) on selected items

- a) To ensure revenue adequacy given the re-imposition of exemptions for specific items for the purposes of GCT, the House is being asked to approve the imposition of Additional Stamp Duty (ASD) at a maximum ceiling value of fifteen percent (15%) on the following items:

Tariff Heading Number	Description of Goods
02.04	Meat of sheep or goats, fresh, chilled or frozen
0207.27.10	Hams, shoulders, and cuts thereof, with bone in
0210.12.10	Bacon
0403.10	Yogurt

5. Changes to termination cost for telephone calls

- a) The House is reminded that during tabling of Revenue Measure FY 2012/2013, it was announced that a special tax would be imposed on inbound telephone calls terminating in Jamaica and calls emanating and terminating in Jamaica. In the light of the continued policy deliberations, decision has been taken to make some adjustments on the domestic side.
- b) It is proposed that the tax be levied as follows:-
- J\$0.05 per minute be imposed on calls originating and terminating on a fixed network in Jamaica;
 - J\$0.40 per minute be imposed on all other calls (domestic and international) originating in Jamaica; and
 - US\$0.075 per minute be imposed on international calls terminating on a mobile network in Jamaica.
- c) The House is being asked to note that there will be certain exemptions

- i. Free minutes offered by service providers, tax will not be applicable for these minutes up to 30% of the total call time, both free and billed, for each call category (Call category means on net, off net and international).
 - ii. The following domestic calls will also be omitted from the taxable base:
 - Numbers used to access emergency and special services such as police, fire, ambulance and other emergency services;
 - Numbers used to activate and de-activate services;
 - Calls to access voice mail;
 - Calls to on-net customer care
 - Calls to voice mail; and
 - Calls to add or determine available credit
- d) It is noted that on the international side the status quo remains.
- e) The tax will therefore be imposed as follows:-
- i. On **all international call minutes** which terminates on the public land mobile network; and
 - ii. On **all domestic and international call minutes** originating from the public switch telephone network and public land mobile network, subject to the aforementioned exemptions.

The proposed measures will yield just about the previously estimated amount of \$5.25 billion for the rest of 2012/13. And will take effect on July 15, 2012.

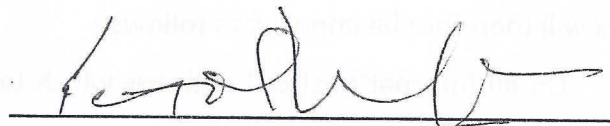
6. Increase Motor Vehicle Licence and Registration Fees

- a) The House is reminded that during tabling of Revenue Measure FY 2012/2013, it was announced that the cost of motor vehicle licence, licence plates, fitness and registration fees were to be increased by 50%.

- b) Appendix I of Ministry Paper 32 indicated that the Motor Vehicle Licence Fees for **Motor Cars (exceeding 2999cc but not exceeding 3999cc)** and **Motor Cars (exceeding 3999cc)** was increased by 60% instead of 50%.
- c) The House is now being asked to approve a 50% increase in all motor vehicle licence, licence plates, fitness, registration fees and licences fees.

7. Changes to the Modified Asset Tax

The House is reminded that during tabling of Revenue Measure FY 2012/2013, it was announced that modification would be made to the Asset Tax for non-financial institutions. In light of the continued policy deliberations, the decision has been taken to adjust the tax liability payable by the non-financial institutions with assets valued less than J\$50,000 to J\$5,000 per annum.



Peter Phillips, PhD, MP
Minister of Finance and Planning
June 6, 2012

EFFECTIVE DATES OF AMENDED MEASURES

1. Amendment to GCT Regime for Electricity
 - Effective date: July 1, 2012
2. Amendment to the Imposition of GCT on Selected Items [Animal Feed, Domestic Raw Food Stuff, (excluding Chicken)]
 - Effective Date: June 15, 2012
3. Amendment to the Imposition of GCT on Textbooks
 - Effective date: June 15, 2012
4. Increase in Additional Stamp Duty (ASD) on Selected Imports
 - Effective Date: July 1, 2012
5. Change to Termination Cost of Telephone Calls
 - Effective Date: July 15, 2012

Ministry of Finance and Planning

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