

ARRANGEMENT OF SECTIONS

1. Short title
2. Interpretation

PART I

MANUFACTURERS TAX REBATE FROM 2010 to 2013

3. Validation of Manufacturers Tax Rebate from 2010 to 2013

PART II

MANUFACTURERS TAX REBATE FROM 2014 to 2016

4. Manufacturers Tax rebate from 2014 to 2016
5. Application for and Criteria for obtaining tax rebate
6. Bona Fide Manufacturer status
7. Cancellation of Manufacturers Bona Fide status
8. Renewal of Bona Fide Manufacturer status
9. Regulations



GRENADA

ACT NO. 20 OF 2014

I assent,

30th May, 2014.



CECILE E. F. LA GRENADE
Governor-General.

AN ACT to provide for tax rebate for Manufacturers.

[30th May, 2014].

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Grenada, and by the authority of the same as follows—

1. This Act may be cited as the

Short title.

MANUFACTURERS TAX REBATE ACT, 2014.

2. In this Act unless the context otherwise requires—

Interpretation.

“Bona Fide status” means the status acquired by a Manufacturer qualified for tax rebate under Part II of this Act;

“Comptroller” means the Comptroller of Inland Revenue;

“Financial period” means a period of twelve months, used by a business or other organisation in order to calculate its budgets, profits and losses;

“Government” means the Government of Grenada;

“Manufacturer” means any natural or legal person who manufactures a product or has a product designed or manufactured, and markets that product under his name or trademark;

“Minister” means the Minister with responsibility for Finance;

“VAT” means Value Added Tax imposed under the Value Added Tax, Act Chapter 333A;

“Withholding Tax” means any tax deducted or deductible pursuant to section 46, 48(13), 50 or 52 of the Income Tax Act Cap. 149.

PART I

MANUFACTURERS TAX REBATE FROM 2010 to 2013

Validation of
Manufacturers
Tax Rebate from
2010 to 2013.

3.—(1) For the purposes of this Act all tax rebate of 10% provided to Manufacturers, applied on the VAT exclusive sales and used against any tax, with the exception of VAT from the period February, 2010 to December, 2013 shall be deemed to have been lawfully collected from the Government.

(2) The accumulated balances and unused credit provided for the tax rebate in sub-section (1), shall expire at the end of the period, and shall not be utilized by Manufacturers for any other financial period.

PART II**MANUFACTURERS TAX REBATE FROM 2014 TO 2016**

4. For the purposes of this part there shall be a tax rebate of a sum not exceeding 2.5 million dollars for each year, during the period January 1st, 2014 to December 31st, 2016, to be apportioned and distributed to the Manufacturers, as may be prescribed by the Minister in Regulations.

Manufacturers
Tax rebate from
2014 to 2016.

(2) The Tax shall be applied on VAT exclusive sales and used against any tax, with the exception of trust taxes which includes but is not limited to, Withholding Tax, PAYE and VAT.

5.—(1) For the purposes of section 4, a Manufacturer shall apply to the Comptroller to become qualified for the receipt of a tax rebate.

Application for
and Criteria for
obtaining tax
rebate.

(2) A Manufacturer shall be entitled to receive tax rebate, if the Comptroller is satisfied that the Manufacturer supports the following government policies:—

- (a) tax compliance;
- (c) investments; and
- (d) employment,

as may be prescribed in regulations.

(3) The Comptroller shall after 14 days make a decision as to whether or not a Manufacturer qualifies for receiving a tax rebate.

(4) Subject to sub-section (3) the period of 14 days may be extended, in circumstances where there is need for the Comptroller to gather further information to assess the

qualification of a Manufacturer or for any other purpose as the Comptroller may deem necessary for the purposes of this Act.

Bona Fide
Manufacturers
status.

6.—(1) A Manufacturer who qualifies to receive a tax rebate shall be listed by the Comptroller, as a Bona Fide Manufacturer for the period of one year.

(2) Where a Manufacturer does not qualify to receive a tax rebate the Comptroller shall in writing notify the Manufacturer of his decision.

(3) Where a Manufacturer is afforded Bona Fide status, the Manufacturer may utilize all credits provided by the Government as tax rebate for the financial period.

Provided that any unused credit shall not be utilized by the Manufacturer for any other financial period.

Cancellation of
Manufacturers
Bona Fide status.

7.—(1) The Comptroller may cancel a Manufacturer’s Bona Fide status for tax rebate, where the Manufacturer ceases to comply with the policy conditions as listed in section 5(2).

(2) Where a Manufacturer’s Bona Fide status is cancelled—

(i) the right to use the credits issued by the Government shall cease immediately; and

(ii) he may re-apply for a tax rebate in the following year.

Renewal of
Bona Fide
Manufacturers
status.

8. The Bona Fide status granted to a Manufacturer for tax rebate, shall be renewable annually, upon the expiration of the Manufacturer’s financial period.

(2) The annual renewal of a Manufacturer's Bona Fide status shall be made pursuant to the procedure outlined in section 5.

9. The Minister may make Regulations generally for the proper functioning and for giving effect to the provisions of this Act. Regulations.

Passed by the House of Representatives this 27th day of May, 2014.

RAPHAEL DONALD
Acting Clerk to the House of Representatives.

Passed by the Senate this 29th day of May, 2014.

RAPHAEL DONALD
Acting Clerk to the Senate.