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No. 12 of 2019

Fourth Session Eleventh Parliament Republic of
Trinidad and Tobago

HOUSE OF REPRESENTATIVES

BILL

AN ACT to amend the Petroleum Act, Chap. 62:01, the
Petroleum Production Levy and Subsidy Act,
Chap. 62:02 and the Income Tax Act, Chap. 75:01

THE MISCELLANEOUS PROVISIONS (PETROLEUM,
PETROLEUM PRODUCTION LEVY AND SUBSIDY AND
INCOME TAX) BILL, 2019

Explanatory Note

(These notes form no part of the Bill but are intended only to indicate its general purport)

The purpose of the Miscellaneous Provisions (Petroleum, Petroleum Production Levy and Subsidy and Income Tax) Bill, 2019 is to amend the Petroleum Act, Chap. 62:01, the Petroleum Production Levy and Subsidy Act, Chap. 62:02 and the Income Tax Act, Chap. 75:01.

Clause 1 of the Bill would provide for the short title of the Bill.

Clause 2 of the Bill seeks to provide for the type of operations Paria would be undertaking, that is, the insertion of a new type of business, namely a “trading business”, which is also now defined.

This clause further seeks to amend the Price of Petroleum Products Order by the insertion of a new Fifth Schedule. This new schedule is necessary because the component buildup of ex-refinery price in the First Schedule is different from the component buildup for the ex-terminal price as it is two different operations. As such, the new Fifth Schedule shall provide the basis for the computation of the new ex-terminal price.

Additionally, clause 2 seeks to insert a definition of “ex-terminal price” because it is not currently defined in the Act and because of the operations of Paria.

Clause 3 of the Bill seeks to amend the Petroleum Production Levy and Subsidy Act, Chap. 62:02 for consistency with the amendments proposed in the Petroleum Act, Chap. 62:01 by insertion of the words “or a trading business” in the definition of “marketing business” as well as inserting a definition for “trading business” because it is not currently defined in the Act.

Clause 3 also seeks to insert a new subsection (1A), which is intended to provide for the calculation of the subsidy for the ex-terminal price to cater for Paria’s operations.

Clause 4 seeks to amend the Income Tax (Amendment) Act, 2019 to correct a numbering error.

BILL

AN ACT to amend the Petroleum Act, Chap. 62:01, the
Petroleum Production Levy and Subsidy Act, Chap.
62:02 and the Income Tax Act, Chap. 75:01

[, 2019]

ENACTED by the Parliament of Trinidad and Tobago as Enactment
follows:

1. This Act may be cited as the Short title
Miscellaneous Provisions (Petroleum, Petroleum Production Levy and
Subsidy and Income Tax) Act, 2019.

2. (1) Section 31 of the Petroleum Act is amended
in—

- (a) subsection (1), by inserting after the words “refining business”, the words “or the trading business”;
- (b) subsection (2), by deleting the words “both the refining business and the marketing business” and inserting after the words “person carries on”, the words “a refining business, a trading business or both and a marketing business.”; and
- (c) subsection (6)—
 - (i) in the definition of “marketing business”, by inserting after the words “refining business”, the words “or a trading business”; and
 - (ii) by inserting after the definition of “marketing licensee”, the following definition:

“trading business” means the business of supplying petroleum products by way of the purchase thereof, locally or internationally, for sale and use in Trinidad and Tobago;”.

(2) The Price of Petroleum Products Order is amended—

- (a) in clause 2 by inserting in the appropriate alphabetical order, the following definition—
 - “ex-terminal price” means the price at which petroleum products may be disposed of or are to be deemed to have been disposed of by the trading business of any person to the marketing business of such person or any other person for

disposal and use in Trinidad and Tobago;” and

(b) by inserting after the Fourth Schedule, the following Schedule:

“FIFTH SCHEDULE

APPENDIX A

<i>Petroleum Products</i>	<i>Corresponding Product in Platt’s Oilgram Price service</i>
Unleaded Premium Gasoline 95 RON	U.S. Gulf Coast Water- borne “Unl 89”
Unleaded Super Gasoline 92 RON	U.S. Gulf Coast Water- borne “Unl 87”
Unleaded Regular Gasoline 83 RON	Estimate-Five cents less than U.S. Gulf Coast Waterborne “Unl 87”
Domestic Kerosene (Dual Purpose Kerosene)	U.S. Gulf Coast Water- borne “Jet/Kero 54”
Diesel (Gasoil 45 Cetane)	U.S. Gulf Coast Water- borne “No. 2”
Fuel Oil (Heavy Fuel Oil)	Caribbean Cargoes “No. 6 2.0% S”

APPENDIX B

<i>Petroleum Products</i>	<i>Cents per litre in Trinidad and Tobago</i>
Marine Diesel	8.0
Kerosene	8.0
Auto Diesel	8.0
Premium Gasoline	8.0
Super Gasoline	8.0
Regular Gasoline	8.0”

3. The Petroleum Production Levy and Subsidy Act is amended—

(a) in section 2(1)—

- (i) in the definition of “marketing business”, by inserting after the words “refining business”, the words “or a trading business”; and
- (ii) by inserting in the appropriate alphabetical order, the following definition:

“ “trading business” means the business of supplying petroleum products by way of the purchase thereof, locally or internationally, for resale and use in Trinidad and Tobago;”;

(b) in section 4(1) by deleting the words “or production business” and substituting the words “, production business or trading business”;

(c) in section 8—

- (i) by inserting after subsection (1), the following subsection:

“ (1A) The subsidy shall be computed monthly in respect of sales of each petroleum product listed in the Schedule by a person carrying on marketing business, and shall be the amount obtained from the application of the following formulas thereto:

(a) $(ETP + GM - WP)V1$, in respect of sales by wholesale; and

(b) $(ETP + GM - RP)V2$, in respect of sales by retail, where—

ETP is the ex-terminal price for the month;

GM is the gross margin for the month;

WP is the wholesale price for the month;

RP is the retail price for the month;

V1 is the volume of sales by wholesale for the month; and

V2 is the volume of sales by retail for the month.”; and

(ii) subsection (2)(b), by deleting the words “or refining business or both” and substituting the words “, refining business or trading business;”.

(d) in section 12—

(i) subsection (1), by deleting the words “or marketing business or

both” and substituting the words “, trading business or marketing business”; and

(ii) subsection (2)—

(A) by inserting after the words “consultation with the persons carrying on refining business”, the words “, trading business”; and

(B) by inserting after the words “sold by a person carrying on refining business”, the words “or trading business”;

(e) in section 13—

(i) subsection (1), by deleting the words “or marketing business or both” and substituting the words “, trading business or marketing business”; and

(ii) subsection (2), by inserting after the words “refining business”, the words “or trading business”.

Act No. 18 of 2018
amended

4. The Income Tax (Amendment) Act, 2018 is amended in section 4—

(a) in the chapeau by inserting after the word “amended” the word “by”;

(b) by deleting the words “(a) in subsection 4, by—”; and

(c) by renumbering subparagraphs (i) and (ii) as paragraphs (a) and (b).

No. 12 of 2019

FOURTH SESSION
ELEVENTH PARLIAMENT
REPUBLIC OF
TRINIDAD AND TOBAGO

BILL

AN ACT to amend the Petroleum Act,
Chap. 62:01, the Petroleum Production
Levy and Subsidy Act, Chap. 62:02
and the Income Tax Act, Chap. 75:01

Received and read the

First time

Second time

Third time