

## Notification to terminate benefits under a repealed law

A continuing beneficiary may choose to terminate his benefits under a repealed law at anytime before the termination date of his incentive. If the continuing beneficiary makes that decision, he must inform the Commissioner General, in writing, stating the date of that decision.

Once he has made the decision, (referred to in the Act as an "election"), the continuing beneficiary will no longer be entitled to tax incentives that were available under the repealed law.

## When does the Taxpayer's election take effect?

- ◆ for the purposes of the *Income Tax Act*, from the first day of the year of assessment in which the election is made;
- ◆ for the purposes of the *General Consumption Tax Act*, from the first day of the taxable period which begins after the date when the election is made;
- ◆ for the purpose of other revenue laws, from the date when the election is made.

## Special arrangements in respect of General Consumption Tax

### *Hotels (Incentives) Act and Resort Cottages (Incentives) Act*

Where a person operating under the Hotels (Incentives) Act or the Resort Cottages (Incentives) Act chooses to make the transition to the new incentive regime he will be able to continue to charge GCT at the current rate of 10% on tourism supplies.

Where a person operating under the Hotels (Incentives) Act or the Resort Cottages (Incentives) Act has ***not*** made an election by July 1, 2014, to give up the tax incentive given by those Acts, then effective July 1, 2014, he/she should charge GCT on tourism supplies at the standard rate of 16.5%.

## Approved Farmers

Where a taxpayer, who is an approved farmer elects to continue under the repealed provision, section 36D will continue to apply to that person until the end of his period of designation, or until the Order which designated him has been revoked.

For more information please call  
1-888-TAX-HELP (829-4357) or  
1-888-GO-JA-TAX (46-52-829) or  
email: [taxhelp@taj.gov.jm](mailto:taxhelp@taj.gov.jm)

Website: [www.jamaicatax-online.gov.jm](http://www.jamaicatax-online.gov.jm) or [www.jamaicatax.gov.jm](http://www.jamaicatax.gov.jm)  
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**Moving from a  
Repealed Incentive law  
to the new  
Fiscal Incentives  
Regime**



The new Fiscal Incentive Regime was introduced on January 1, 2014 by four new laws:

- ◆ The Fiscal Incentives (Miscellaneous Provisions) Act;
- ◆ The Income Tax Relief (Large-scale Projects and Pioneer Industries) Act;
- ◆ The Customs Tariff (Revision) (Amendment) Resolution, 2013; and
- ◆ The Stamp Duty (Amendment of Schedules) Order, 2013.

The Fiscal Incentive Act repeals several other laws which granted tax incentives to certain sectors of the economy. At the same time, it allows taxpayers who operate under those incentive laws to decide whether they wish to continue to enjoy the incentive until the end of their incentive period or to make the transition to the benefits offered by the new Act.

## REPEALED LAWS

The following laws have been repealed:

- (a) The Export Industry Encouragement Act
- (b) The Hotels (Incentives) Act
- (c) The Resort Cottages (Incentives) Act
- (d) The Petroleum Refining Industry Encouragement Act
- (e) The Shipping (Incentives) Act
- (f) The Cement Industry Encouragement Act
- (g) The Motion Picture Industry Encouragement Act
- (h) the Industrial Incentives Act;
  - (i) the Industrial Incentives (Factory Construction) Act;
- (j) the Foreign Sales Corporation Act;
- (k) The International Finance Companies Income Tax) Relief Act;

In addition to the above, in relation to Approved Farmer, sections 5(6) and 36D of Income Tax Act have been deleted.

## Grandfathering

Where a taxpayer had been granted an incentive for a particular period under a law that has been repealed, the provisions of that law will be saved (i.e. grandfathered) so as to allow the taxpayer to continue, if he so chooses, to access the benefits offered under that incentive law for the remainder of the concession period.

## Continuing Beneficiary

A person who opts to continue to operate under a repealed law is referred to as a "Continuing Beneficiary". An approved farmer is deemed to be a continuing beneficiary if he opts to remain under the repealed provision.

Continuing beneficiaries will not be entitled to the new Employment Tax Credit against Income Tax.