



## **BUSINESS LICENCE (AMENDMENT) BILL, 2015**

### **A BILL FOR AN ACT TO AMEND THE BUSINESS LICENCE ACT**

**Enacted by the Parliament of The Bahamas**

**1. Short title and commencement.**

- (1) This Act, which amends the Business Licence Act (*No. 25 of 2010*), may be cited as the Business Licence (Amendment) Act, 2015.
- (2) This Act shall come into operation on the 1<sup>st</sup> day of July, 2015.

**2. Insertion of new section 3A into the principal Act.**

The principal Act is amended by inserting immediately after section 3 the following new section—

**“3A. Fees for late filings and payment of tax.**

- (1) Every licensee who fails to make the requisite filings or payments by the dates prescribed in section 3 shall be liable to pay the fees set out in the *Fourth Schedule*.
- (2) The Minister may amend the *Fourth Schedule* by Order.”.

**3. Amendment of section 8 of the principal Act.**

Section 8 of the principal Act is amended —

- (a) by inserting immediately after subsection (2), the following subsection—
  - “(2A) For purposes of clarity, where a tax is outstanding in respect of any year, the tax that a business is liable to pay for that year shall be calculated according to the rate that was applicable for the year in which the tax was due.”;
  - and

- (b) by inserting immediately after subsection (3) the following new subsection —
  - “(3A) For the purposes of clarity, the tax payable under subsection (1) shall be in respect of turnover for the calendar year preceding the year in which the tax is payable.”.

**4. Amendment to the First Schedule of the principal Act.**

The First Schedule to the principal Act is amended in Part I—

- (a) by inserting immediately after paragraph (1), the following new paragraphs—
  - “(1A) Subject to paragraph (1), a tax at a rate of 0.75% of turnover shall apply to the following businesses—
    - (i) agricultural and animal husbandry/mixed farming;
    - (ii) fishing/fish farms;
    - (iii) food/meat/fruit processing.
  - (1B) Paragraph (1A) does not apply to businesses engaged in the export of salt.”;
- (b) in paragraph (3)—
  - (a) by deleting the words “Subject to subparagraph (1)” and substituting therefor the words “subject to paragraph (1A)”;
  - and
  - (b) by deleting subparagraphs (e) and (f) and substituting therefor the following subparagraph—
    - “(e) for a business with turnover greater than \$50 million per annum, a tax of 1.5% of turnover.”;
- (c) in paragraph (4), by deleting the word “Where” and substituting therefor the words “Subject to paragraph (5A), where”;
- (d) in paragraph 5, by deleting the words, “subparagraph (4)” and substituting therefor the words “subparagraphs (4) and (5A)”;
- (e) by inserting immediately after paragraph (5) the following new paragraph—
  - “(5A) Notwithstanding paragraph (4), where the business is a gasoline station that is located on a Family Island and is not owned by a person who is an importer of fuel, the rate of tax shall be 0.75% of turnover.”.

**5. Insertion of new Fourth Schedule into the principal Act.**

The principal Act is amended by inserting immediately after the Third Schedule the following new Schedule—

**“ FOURTH SCHEDULE  
(section 3A)**

**FEEs FOR LATE FILINGS AND LATE PAYMENT OF  
TAXES**

- |     |  |                                  |
|-----|--|----------------------------------|
| (a) | Fee for late filing of application for licence renewal             | \$100                            |
| (b) | Fee for late notification of inactivation or cessation of business | \$100                            |
| (c) | Fee for late payment of business licence tax                       | 10% of the<br>tax<br>liability”. |

**OBJECTS AND REASONS**

This Bill seeks to amend the Business Licence Act (*No. 25 of 2010*) to adjust the rate of taxes for various businesses.

Clause 1 provides for the short title and commencement.

Clause 2 seeks to provide for the late filing and payment of tax.

Clause 3 seeks to allow outstanding taxes to be payable at the rate prescribed in the year they were due.

Clause 4 seeks to amend Part I of the *First Schedule* of the principal Act by the insertion of a new paragraph to provide for a specific business licence tax for specific businesses.

Clause 5 seeks to amend the Act by the insertion of a new *Fourth Schedule* that provides for the fees for late filing and late payment of taxes.