

# EXCISE (AMENDMENT) BILL, 2021

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## EXCISE (AMENDMENT) BILL, 2021

### A BILL FOR AN ACT TO AMEND THE EXCISE ACT

Enacted by the Parliament of The Bahamas

#### 1. Short title and commencement.

- (1) This Act, which amends the Excise Act,<sup>1</sup> may be cited as the Excise (Amendment) Act, 2021.
- (2) This Act shall come into force on the 1<sup>st</sup> day of July, 2021.

#### 2. Amendment to the First Schedule to the principal Act.

The First Schedule to the principal Act is amended —

- (a) by the deletion of the TARIFF CODE Heading/Subheading “2402.1020”, and all the particulars related thereto and the substitution therefor of the following —

“

TARIFF CODE Heading/Subheading	DESCRIPTION OF GOODS	SPECIFIC RATE	RATE OF TAX
2402.1020	--- Cheroots and cigarillos	\$0.50BSD per stick	220%

”;

- (b) by the deletion of TARIFF CODE Headings/Subheadings “8702.1010”; “8702.1020”, and all the particulars related thereto and the substitution therefor of the following —

<sup>1</sup>No. 22 of 2018.

“

TARIFF CODE Heading/ Subheading	DESCRIPTION OF GOODS	SPECIFIC RATE	RATE OF TAX
8702.1010	--- New, with only compression ignition internal combustion piston engine (diesel or semi-diesel)		85%
8702.1020	--- Used, with only compression ignition internal combustion piston engine (diesel or semi-diesel), not exceeding 10 years		85%

”;

- (c) by the deletion of TARIFF CODE Headings/Subheadings “8703.4010”; “8703.4020”; “8703.4030”; “8703.4040”; “8703.4050”; “8703.4060”, and all the particulars related thereto and the substitution therefor of the following —

“

TARIFF CODE Heading/ Subheading	DESCRIPTION OF GOODS	SPECIFIC RATE	RATE OF TAX
8703.4010	---New hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value exceeding \$50,000		65%
8703.4020	---New hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value not exceeding \$50,000		10%
8703.4030	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value exceeding \$50,000 not exceeding 10 years		65%
8703.4040	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value exceeding \$50,000 exceeding 10 years		65%
8703.4050	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value		10%

	not exceeding \$50,000 not exceeding 10 years		
8703.4060	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value not exceeding \$50,000 exceeding 10 years		10%

”;

- (d) by the deletion of TARIFF CODE Headings/Subheadings “8703.5010”; “8703.5020”; “8703.5030”; “8703.5040”; “8703.5050”; “8703.5060”, and all the particulars related thereto and the substitution therefor of the following —

“

TARIFF CODE Heading/ Subheading	DESCRIPTION OF GOODS	SPECIFIC RATE	RATE OF TAX
8703.5010	---New hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value exceeding \$50,000		65%
8703.5020	---New hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value not exceeding \$50,000		10%
8703.5030	---Used hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value exceeding \$50,000 not exceeding 10 years		65%
8703.5040	---Used hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value exceeding \$50,000 exceeding 10 years		65%
8703.5050	---Used hybrid motor vehicles, with both compression-ignition internal combustion		10%

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	piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value not exceeding \$50,000 not exceeding 10 years		
8703.5060	---Used hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value not exceeding \$50,000 exceeding 10 years		10%

”;

- (e) by the deletion of TARIFF CODE Headings/Subheadings “8703.6010”; “8703.6020”; “8703.6030”; “8703.6040”; “8703.6050”; “8703.6060”, and all the particulars related thereto and the substitution therefor of the following —

“

<b>TARIFF CODE Heading/ Subheading</b>	<b>DESCRIPTION OF GOODS</b>	<b>SPECIFIC RATE</b>	<b>RATE OF TAX</b>
8703.6010	--- New hybrid motor vehicles, with both spark ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value exceeding \$50,000		65%
8703.6020	---New hybrid motor vehicles, with both spark ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value not exceeding \$50,000		10%
8703.6030	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value exceeding \$50,000 not exceeding 10 years		65%
8703.6040	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value exceeding \$50,000 exceeding 10 years		65%

8703.6050	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value not exceeding \$50,000 not exceeding 10 years		10%
8703.6060	---Used hybrid motor vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion of a value not exceeding \$50,000 exceeding 10 years		10%

- (f) by the deletion of TARIFF CODE Headings/Subheadings “8703.7010”; “8703.7020”; “8703.7030”; “8703.7040”; “8703.7050”; “8703.7060”, and all the particulars related thereto and the substitution therefor of the following —

TARIFF CODE Heading/ Subheading	DESCRIPTION OF GOODS	SPECIFIC RATE	RATE OF TAX
8703.7010	--- New hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value exceeding \$50,000		65%
8703.7020	--New hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value not exceeding \$50,000		10%
8703.7030	---Used hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value exceeding \$50,000 not exceeding 10 years		65%
8703.7040	---Used hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value exceeding \$50,000 exceeding 10 years		65%

8703.7050	---Used hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value not exceeding \$50,000 not exceeding 10 years		10%
8703.7060	---Used hybrid motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion of a value not exceeding \$50,000 exceeding 10 years		10%

- ”;
- (g) by the deletion of TARIFF CODE Headings/Subheadings “8704.9010”; “8704.9020”; “8704.9030”; “8704.9040”; “8704.9050”; “8704.9060”, and all the particulars related thereto and the substitution therefor of the following —

“

TARIFF CODE Heading/ Subheading	DESCRIPTION OF GOODS	SPECIFIC RATE	RATE OF TAX
8704.9010	--- New hybrid with either spark-ignition internal combustion or compression-ignition combustion piston engine (diesel or semi-diesel) having an electric motor as motors for propulsion and electric vehicles of a value exceeding \$50,000		65%
8704.9020	---Used hybrid with either spark-ignition internal combustion or compression-ignition combustion piston engine (diesel or semi-diesel) having an electric motor as motors for propulsion and electric vehicles of a value exceeding \$50,000 not exceeding 10 years		65%
8704.9030	---Used hybrid with either spark-ignition internal combustion or compression-ignition combustion piston engine (diesel or semi-diesel) having an electric motor as motors for propulsion and electric vehicles of a value exceeding \$50,000 exceeding 10 years		65%
8704.9040	---New hybrid with either spark-ignition internal combustion or compression-ignition combustion piston engine (diesel		10%

	or semi-diesel) having an electric motor as motors for propulsion and electric vehicles of a value not exceeding \$50,000		
8704.9050	---Used hybrid with either spark-ignition internal combustion or compression-ignition combustion piston engine (diesel or semi-diesel) having an electric motor as motors for propulsion and electric vehicles of a value not exceeding \$50,000 not exceeding 10 years		10%
8704.9060	---Used hybrid with either spark-ignition internal combustion or compression-ignition combustion piston engine (diesel or semi-diesel) having an electric motor as motors for propulsion and electric vehicles of a value not exceeding \$50,000 exceeding 10 years		10%

”

**3. Amendment to the Second Schedule to the principal Act.**

The Second Schedule to the principal Act is amended —

- (a) in TARIFF CODE Headings/Subheadings “9889.0020”; “9899.0000”; “989E.0030”, by the deletion of the word “Free” appearing in the column “Rate of Tax”, and the substitution therefor of the figure “10%”;
- (b) by the insertion, immediately after the Tariff Code Heading/Subheading “989N.0000”, of the following —

“

TARIFF CODE Heading/ Subheading	DESCRIPTION OF GOODS	SPECIFIC RATE	RATE OF TAX
<b>98.90</b>	<b>Duty free exemptions for start-up, small, and medium businesses with prior approval of the Minister.</b>		
989O.0000	Items for start-up businesses deemed as first inventory stock.		Free
989O.0010	Commercial vehicles for start-up businesses to be used solely for the conduct of business provided that signage of the business is permanently affixed and prominently displayed.		Free
989O.0020	Commercial vehicles for existing businesses with an annual turnover of less than \$5 million to be used solely for the		Free



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	conduct of business provided that signage of the business is permanently affixed and prominently displayed.		
989O.0030	Items deemed as inventory stock for existing businesses with an annual turnover of less than \$5 million.		Free

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**OBJECTS AND REASONS**

This Bill seeks to amend the Excise Act to, *inter alia*, assign an ad valorem and align with the rate of duty of cigars, and provide for duty free exemptions for start-up, small, and medium businesses with the prior approval of the Minister.