

TOURISM INVESTMENT INCENTIVES ~

Tourism Accommodation Projects

THE TOURISM DEVELOPMENT ACT, CHAP. 87:22

The Tourism Development Act, 2000 (TDA) was introduced to support the development of the tourism industry in Trinidad and Tobago. The Act provides for benefits to be granted to the owners/operators of various types of tourism projects, once these projects have the potential of contributing significantly to the growth and expansion of the industry.

To access the TDA, please visit: [Tourism Development \(legalaffairs.gov.tt\)](http://legalaffairs.gov.tt)

TOURISM ACCOMMODATION PROJECTS

Tourism Accommodation Establishments eligible for incentives under Schedule 5 of the TDA include:

- Hotel
- Camp Site, Dive and Eco-Lodge
- Guest house

CRITERIA FOR ACCESSING BENEFITS

Under Section 7 of the TDA, tourism projects seeking to access benefits :

- Must be registered with the Corporation or the Assembly;
- Are subject to annual inspection by the Corporation in respect of matters concerning Trinidad, and the Assembly in matters concerning Tobago;
- Must provide relevant statistics/economic data at intervals as required by the Corporation or the Assembly;
- Must as far as possible, engage the human resources of Trinidad and Tobago or a Member State;
- Must show linkages to the agricultural, construction and furniture industries and other manufactured goods and services of Trinidad and Tobago.

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BENEFITS UNDER THE TDA INCLUDE

Customs and Excise Duty Exemptions under Section 22 (1) and (2) of the TDA:

- (1) Where a person has been granted an interim approval or an additional interim approval under Part 2, the Minister may, upon application, grant to that person a **permit** –
 - (a) for the importation or entry into Trinidad and Tobago free of Customs duty; and
 - (b) for the purchase in Trinidad and Tobago with the privilege of a drawback of Customs duties or Excise duties, of such building materials which are not already duty free and of such articles of tourism equipment.
- (2) A permit is subject to the conditions that the building materials and articles of tourism equipment therein specified shall be used exclusively in connection with the construction and equipment of the project for which the interim approval or the additional interim approval has been granted and that such building materials and articles of tourism equipment are not manufactured locally or not readily available locally.

Tax Benefits under Section 3 (3) of the TDA:

- (a) A **tax exemption not exceeding 7 years** in respect of the gains or profits from the approved tourism project;
- (b) A **tax exemption in respect of the gains or profits** derived from the initial sale of a villa or condominium or the site for a villa or condominium that forms part of an IRD which is an approved tourism project;
- (c) An **accelerated depreciation** of depreciable equipment owned by the owner or operator and used in an approved tourism project; and
- (d) A **capital allowance** in respect of approved capital expenditure incurred by the owner or operator in the creation of a new tourism project or in the expansion of an existing tourism project.

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BENEFITS UNDER THE TDA INCLUDE

Additional Tax Benefits under Section 3 (4) of the TDA:

- (a) A **carry-over from a tax exemption period**, if any, of any loss arising out of the operation or renting of an approved tourism project.

Under Section 3 (5) and (6) of the TDA:

- (5) The owner or operator of an approved tourism project who receives a tax exemption under subsection (3) shall keep a separate account of all gains or profits that are tax exempt.
- (6) Where the owner or operator referred to in subsection (5) is a company and pays a dividend out of the gains or profits, the dividend so paid shall be exempt from tax where the recipient is
 - (a) a non-resident shareholder who is a national; or
 - (b) a non-resident shareholder who is not a national and who is not liable to tax in respect of that dividend in the country in which he is resident.

To access tourism incentives, please contact:

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