

# VALUE ADDED TAX (AMENDMENT) (NO.2) BILL, 2025

## Arrangement of Sections

### Section

---

1.	Short title and commencement.....	2
2.	Amendment of section 2 of the principal Act. ....	2
3.	Amendment of section 18 of the principal Act. ....	3
4.	Amendment of section 19 of the principal Act. ....	4
5.	Amendment of section 22A of the principal Act.....	4
6.	Amendment of section 27 of the principal Act. ....	4
7.	Amendment of section 38C of the principal Act. ....	5
8.	Insertion of section 38K into the principal Act. ....	5
9.	Amendment of section 47A of the principal Act. ....	6
10.	Amendment of section 47B of the principal Act. ....	7
11.	Insertion of new section 47C in the principal Act. ....	7
12.	Amendment of section 50 of the principal Act. ....	7
13.	Repeal and replacement of section 56 of the principal Act.....	8
14.	Insertion of section 56A in principal Act. ....	10
15.	Amendment of section 57 of the principal Act. ....	11
16.	Amendment of section 58 of the principal Act. ....	11
17.	Repeal and replacement of section 61B of the principal Act. ....	12
18.	Amendment of section 81 of the principal Act. ....	12
19.	Repeal and replacement of section 81A of the principal Act.....	13
20.	Amendment of the First Schedule to the principal Act. ....	14
21.	Amendment of the Third Schedule to the principal Act.....	14
22.	Amendment of Fourth Schedule to the principal Act.....	14



## VALUE ADDED TAX (AMENDMENT) (NO.2) BILL, 2025

### A BILL FOR AN ACT TO AMEND THE VALUED ADDED TAX ACT

**Enacted by the Parliament of The Bahamas**

**1. Short title and commencement.**

- (1) This Act, which amends the Value Added Tax Act (*Ch.370A*), may be cited as the Value Added Tax (Amendment) (No.2) Act, 2025.
- (2) Subject to subsection (3), this Act shall come into operation on the 1<sup>st</sup> day of July, 2025.
- (3) Section 22(f) of this Act shall come into operation on the 1<sup>st</sup> day of September, 2025.

**2. Amendment of section 2 of the principal Act.**

Section 2 of the principal Act is amended —

- (a) by the deletion of the definition “food store” and the substitution of the following —

““**food store**” means a business —

- (i) where at least 10% of the prior year's turnover under its business licence is from the sale of unprepared food for human consumption;
- (ii) which is new in the year and does not have a prior year's turnover, where it is estimated that at least 10% of its estimated turnover for the year is from the sale of unprepared food for human consumption.
- (iii) licensed to operate as a pharmacy;

- (iv) as prescribed by the Comptroller;”.
- (b) in the definition of “**goods**”, by the deletion of the words “appurtenances belonging thereto or enjoyed therewith, excluding a commercial rental establishment or commercial enterprise;” immediately after the words “include money;”.
- (c) by the deletion of the definition “**taxable activity**” and the substitution of the following —  
“**taxable activity**” means any activity within The Bahamas carried on in the form of a business —
  - (a) which is carried on continuously or regularly by a person whether or not for a pecuniary profit; and
  - (b) which for a consideration involved or is intended to involve in whole or in part the supply of taxable supplies to another person or the import of taxable importations;
  - (c) but does not include —
    - (i) an activity carried on essentially as a private recreational pursuit or hobby;
    - (ii) an engagement, occupation or employment under a contract of service or as a director of a company;
    - (iii) an activity to the extent it comprises the production, acquisition or making of exempt supplies and exempt importations;”.

**3. Amendment of section 18 of the principal Act.**

Section 18 of the principal Act is amended —

- (a) in subsection (1) by the insertion, immediately after the words “the prescribed form” of the words “and accompanied by a deposit acceptable to the Comptroller in support of the proposed ruling, being either \$1,000 or security in such amount and form as may be determined by the Comptroller.”;
- (b) by the deletion of subsection (2) and the substitution of the following —  
“(2) Subject to subsection (4), an advance VAT ruling by the Comptroller under subsection (1) —
  - (a) is binding on the Comptroller for the time period determined by the Comptroller and stated in the ruling; and

- (b) shall state a time period during which the applicant is required to complete the transactions contemplated in the application”;
- (c) by the deletion of subsection (4) and the substitution of the following—
  - “(4) An advance VAT ruling issued by the Comptroller shall be void if —
    - (a) it is based on false, misleading, or incorrect information provided on the application; or
    - (b) relevant information was omitted from the application”;
- (d) by the insertion, immediately after subsection (4), of the following as new subsections (5) and (6) —
  - “(5) If the applicant fails to complete the transactions or execute the instruments within the time period specified in the ruling, and such failure results from inaction, action or negligence on the applicant’s part, the applicant will incur a penalty equal to the greater of \$1,000 and 1/10<sup>th</sup> of 1% of the assessment that would arise from the transactions or instruments outlined in the ruling.
  - (6) Where the applicant is aggrieved with the ruling made by the Comptroller, or the assessment of penalty under subsection (5), the applicant may appeal directly to the Tax Appeal Commission under section 81A. ”.

**4. Amendment of section 19 of the principal Act.**

Section 19 of the principal Act is amended by the deletion of the words “(No. 25 of 2010)”, immediately after the words “Business Licence Act”, and the substitution of the words “2023”.

**5. Amendment of section 22A of the principal Act.**

Section 22A of the principal Act is amended by the deletion of the words “(No. 25 of 2010)” immediately after the words “Business Licence Act” and the substitution of the words “2023”.

**6. Amendment of section 27 of the principal Act.**

Section 27(4) of the principal Act is deleted and substituted as follows —

- “(4) The Comptroller may determine a date for cancellation under subsection (3) that is retrospective to a date that is —
  - (a) the last day of the tax period during which the taxable activity carried on by the registrant ceased;

- (b) the last day of the tax period during which the taxable activity carried on by the registrant was less than sixty thousand dollars, and since that day —
  - (i) the registrant has not collected any VAT payable on its supply of goods or services; and
  - (ii) the registrant has not claimed any input tax deductions; or
  - (iii) the effective date of the registration where the Comptroller is satisfied that the registration was obtained through fraud, misrepresentation, negligence or other misconduct and the registrant never, in fact, carried on a taxable activity.”.

**7. Amendment of section 38C of the principal Act.**

Section 38C of the principal Act is amended by the deletion of the words “Registrar-General” and the substitution of the words “Registrar of Records”.

**8. Insertion of section 38K into the principal Act.**

The principal Act is amended by the insertion immediately after section 38J, of the following as a new section 38K —

**“38K. Fines etc for making false statements.**

- (1) A person who, knowingly, or under circumstances amounting to gross negligence, has made or has participated in, assented to or acquiesced to an action under section 38J in relation to the transfer of real property shall be liable for a penalty the greater of \$1,000 and —
  - (a) where the tax payable was underreported by an amount that is 25% or less, to a fine equal to 25% of the underreported amount;
  - (b) where the tax payable was underreported by an amount that is greater than 25% but less than or equal to 50%, to a fine of equal to 50% of the underreported amount; or
  - (c) where the tax payable was underreported by an amount that is greater than 50%, to a fine of 100% of the underreported amount.
- (2) Where the tax payable was underreported by an amount that is greater than 50%, the Comptroller may, having regard to the amount underreported and the circumstances, assess a penalty equal to the value of the real property and apply to the Supreme Court for an order for forfeiture of the real property.

- (3) A person who has —
- (a) made, or participated in, assented to or acquiesced in the making of a false or deceptive statement or answer to evade compliance with this Act or payment of taxes imposed by this Act;
  - (b) wilfully, in any manner, evaded or attempted to evade compliance with this Act or payment of taxes imposed by this Act; or
  - (c) conspired with any person to commit an offence described in paragraphs 38K(2)(a) to (b),
- is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of not less than 50%, and not more than 200%, of the amount of tax that was sought to be evaded; or imprisonment for a term not exceeding 2 years or both.
- (4) For the purposes of subsection 38K(1) —
- (a) the percentage of underreported tax shall refer to the proportion by which the tax payable reported by a person is less than the tax liability properly determined under the provisions of this Act;
  - (b) the percentage of underreported tax payable shall be calculated using the following formula —  
*Percentage of underreported tax payable = (A-B)/A x 100%*  
where —
    - (i) A is the total tax payable determined to be properly payable under this Act; and
    - (ii) B is the amount of tax reported by the person.”.

**9. Amendment of section 47A of the principal Act.**

Section 47A of the principal Act is amended by the —

- (a) deletion of subsection (4) and the substitution of the following —

“(4) Any tax payable under this Act which is not paid by the date on which it becomes due and payable, shall bear interest in respect of the outstanding amount at a rate of prime plus 1%.”;
- (b) insertion immediately after subsection (4), of the following as a new subsection (4A) —

“(4A) Where tax is payable on a supply of real property, the liability to pay interest shall commence twenty-one days after the date the tax becomes due and payable.”.

**10. Amendment of section 47B of the principal Act.**

Section 47B is amended by the deletion of the words “31<sup>st</sup> December every year” and the substitution of the words “31<sup>st</sup> January in respect of the prior year.”.

**11. Insertion of new section 47C in the principal Act.**

The principal Act is amended by the insertion, immediately after section 47B, of the following as a new section 47C —

**“47C. Requirement to notify Comptroller of sale of newly constructed dwelling.**

- (1) Where any person directly or indirectly conveys a beneficial interest in real property, that person shall, within thirty days of the date of execution of the instrument or arrangement effecting such conveyance, file with the Comptroller a declaration in the prescribed form.
- (2) For the purposes of this section, a person shall be deemed to have conveyed a beneficial interest indirectly where, by any means whatsoever, including through a trust, nominee, corporate structure, or other arrangement, the effect of the transaction is to transfer to another person the right to possession, enjoyment, control, or benefit of real property, whether or not legal title is transferred.
- (3) Where the person has engaged a real estate agent in connection with a conveyance described in subsection (1), the real estate agent shall be responsible for filing the prescribed declaration on behalf of the person with the Comptroller within thirty days of the date of execution of the instrument or arrangement effecting the conveyance.
- (4) A real estate agent who fails to comply with subsection (3) shall be jointly and severally liable with the person who engaged him to a penalty equal to three per centum of the consideration paid or payable in respect of the conveyance.

**12. Amendment of section 50 of the principal Act.**

Section 50 of the principal Act is amended by the insertion, immediately after subsection (1) of the following as new subsections (1A), (1B) and (1C) —

- “(1A) Subject to subsection (1B), a claim for input tax deduction in respect of input tax paid or payable by a taxable person shall not be allowed in respect of any goods or services acquired for use in, or in connection with, the construction, reconstruction, or substantial renovation of real property, whether the real property is owned, leased, or otherwise controlled by that person, where such activity

is classified as major construction, unless the Comptroller otherwise prescribes.

(1B) Subsection (1A) shall not apply to a taxable person engaged in the taxable supply of real property in the ordinary course of a taxable activity, to the extent that the goods or services acquired are directly attributable to such taxable supplies.

(1C) For the purposes of subsection (1A), “**major construction**” includes —

- (i) any construction activity where the total project cost involving the construction activity exceeds one million dollars;
- (ii) the erection or substantial renovation of a building or other fixed structure permanently affixed to the real property;
- (iii) dredging or land reclamation activities;
- (iv) the construction or extension of docks, marinas, or similar waterfront structures;
- (v) the construction, paving, or substantial improvement of roads, driveways, or other access infrastructure; or
- (vi) any other construction activity as may be prescribed by regulations or rules made under this Act.”.

**13. Repeal and replacement of section 56 of the principal Act.**

Section 56 of the principal Act is repealed and replaced by the following as a new section 56 —

**“56. Carry forward of excess credits.”**

- “(1) This section applies where the total amount of input tax deductible by a registrant for a tax period exceeds the output tax for such period.
- (2) Where subsection (1) applies the excess is carried forward to the next tax period and treated as an input tax deductible in that tax period.
- (3) Where —
  - (a) an excess remains after being carried forward; and
  - (b) the registrant has applied for a cancellation of their registration under section 27,the registrant may file with the Comptroller a claim for the refund of the excess in the form and manner prescribed by regulations.
- (4) The Comptroller must allow a claim for a refund where —
  - (a) the registrant’s registration has been cancelled;



- (b) the VAT return for the final tax period has been filed; and
  - (c) the Comptroller is satisfied that the registrant is entitled to the amount of the refund claimed.
- (5) Where the Comptroller is not satisfied that the registrant is entitled to receive a refund under subsection (4), the Comptroller must make a determination on the amount of refund payable.
- (6) Where the Comptroller allows a refund under subsections (4) and (5), the Comptroller may set-off the amount of the refund to be paid against —
  - (a) any tax, levy, interest, or penalty payable by the registrant under this Act;
  - (b) any unpaid taxes owing by the registrant under a provision of any other Act.
- (7) Notwithstanding anything contained in this section, where at least fifty percent of a registrant's taxable supplies are expected to be zero rated supplies or reduced-rate supplies the registrant may apply to the Comptroller to claim a refund.
- (8) Where the Comptroller is satisfied that the registrant is entitled to a refund under subsection (7) , the Comptroller shall make a decision as to the amount of refund having regard to the intention of this section, and the amount of zero rated and reduced-rate supplies expected to be made by the registrant.
- (9) Where a registrant has failed to file a VAT return for any tax period in accordance with this Act, the Comptroller may withhold payment of any amount refundable under this section until the registrant files the return as requested.
- (10) A claim for refund under this section shall be made within one year after the date the claimant has the right to apply for the refund.
- (11) Where the Comptroller has made a decision on the amount of any refund payable under this section, the Comptroller shall serve a notice in writing on the claimant for the refund setting out its decision within thirty days from the date the decision was made.
- (12) A claimant for a refund under this section who is aggrieved by the Comptroller's decision under subsection (14) may object or appeal the decision under Part XI.
- (13) Where an amount is paid to, or applied to, a liability of a person as a refund under this section and the person is not entitled to the refund or the amount paid or applied exceeds the refund to which the person is entitled, the person shall pay to the Comptroller an amount equal to the refund or excess, on the same day the refund or excess, is paid to, or applied to a liability of the person.

- (14) The Comptroller must serve on a claimant for refund a notice in writing as prescribed of the Comptroller's decision in respect of the claim —
  - (a) within thirty calendar days of the Comptroller receiving the claim; or
  - (b) where the Comptroller orders an audit of the claim, within ten calendar days of completion of the audit.
- (15) A claimant for a refund under this section who is aggrieved by the Comptroller's decision under subsection (14) may object or appeal the decision under Part XI.
- (16) In a claim for refund pursuant to subsection (9) filed by a claimant who is not a registrant, the Comptroller must in order of priority apply the amount of any excess allowed under the claim in reduction of any tax, levy, interest, fine or penalty payable by the claimant —
  - (a) under this Act; and
  - (b) under any other Act where the Minister specifies by order the tax, levy, interest, fine or penalty that may be reduced by an allowable refund.
- (17) Paragraph (b) of subsection (1) applies to a claimant for refund of tax, other than a person referred to in subsection (1) of section 58.
- (18) Where an amount is paid to, or applied to, a liability of a person as a refund under this section and the person is not entitled to the refund or the amount paid or applied exceeds the refund to which the person is entitled, the person shall pay to the Comptroller an amount equal to the refund or excess, on the day the refund or excess, is paid to, or applied to a liability of the person.”.

**14. Insertion of section 56A in principal Act.**

The principal Act is amended by the insertion immediately after section 56 of the following as a new section 56A —

**“56A. Refund of Overpayment.**

- (1) This section applies where the amount of tax paid by a person exceeds the amount properly chargeable as tax under this Act.
- (2) Where subsection (1) applies, the person may file a claim with the Comptroller for refund of the tax overpaid in the form and manner prescribed.
- (3) Where the Comptroller is satisfied that the person has made an overpayment of a legitimate supply, the Comptroller shall allow the refund of the overpayment claimed.

- (4) Where the Comptroller is not satisfied that the person has made the overpayment claimed, or that a legitimate supply did not occur, the Comptroller shall make a determination on whether an overpayment has occurred, and any amount payable as a refund of that overpayment.
- (6) Where the Comptroller allows a refund under subsections (3) and (4), the Comptroller may set-off the amount of the refund to be paid against —
  - (a) any tax, levy, interest, or penalty payable by the person under this Act;
  - (b) any unpaid amounts in taxes owing by the person under a provision of any other Act.
- (7) A claim for refund under this section shall be made within one year after the date the claimant has the right to apply for the refund.
- (8) Where the Comptroller has made a decision as to the refund payable under this section, the Comptroller must within thirty days of making that decision, serve a notice in writing on the claimant for refund setting out its decision.
- (9) A claimant for a refund under this section who is aggrieved by the Comptroller's decision under subsection (8) may object or appeal the decision under Part XI.
- (10) Where an amount is paid to, or applied to, a liability of a person as a refund under this section and the person is not entitled to the refund or the amount paid or applied exceeds the refund to which the person is entitled the person shall pay to the Comptroller an amount equal to the refund or excess, on the day the refund or excess, is paid to, or applied to a liability of the person.”.

**15. Amendment of section 57 of the principal Act.**

Section 57(1) of the principal Act is deleted and substituted as follows —

- “(1) The Comptroller must —
  - (a) pay a refund allowed under section 56 within two months after the decision;
  - (b) where the Comptroller fails to make payment in accordance with paragraph (a), pay the claimant interest on the amount due commencing two months after the date of the decision and ending on the date the refund is paid.”.

**16. Amendment of section 58 of the principal Act.**

Section 58(1)(b)(i) of the principal Act is amended by the insertion of the words “religious organisation” immediately after the words “charitable organisation,”.

**17. Repeal and replacement of section 61B of the principal Act.**

Section 61(B) of the principal Act is repealed and replaced by the following as a new section 61B —

**“61B. Assessment of real property.**

- “(1) The Comptroller may assess VAT payable on the supply of real property at any time, notwithstanding any other limitation period under this Act.
- (2) VAT assessed as payable on the supply of real property shall have priority over the payment of any fees, commissions, or other amounts earned, generated, or otherwise payable in respect of that supply.
- (3) Where any such fees or amounts are paid in priority or preference to the VAT payable on that supply, every person who receives a payment shall be jointly and severally liable to the extent of the lesser of —
  - (a) the amount received by the recipient; or
  - (b) the unpaid VAT assessed on the supply of the real property.”.

**18. Amendment of section 81 of the principal Act.**

Section 81 of the principal Act is amended —

- (a) in subsection (2) —
  - (i) by the deletion of paragraph (e) and the substitution of the following new paragraph —

“(e) subsection (11) of section 56, and subsection (9) of section 56A.”;
  - (ii) at the end of paragraph (l) by the deletion of the word “and”;
  - (iii) at the end of paragraph (m) by the deletion of the full stop and the substitution of a semi-colon at the end of paragraph;
  - (iv) by the insertion immediately after paragraph (m) of the following as a new paragraph (n) —

“(n) subsections (1) and (2) of section 38K.”.
- (b) by the deletion of subsection (7) and the substitution of the following as a new subsection —

“(7) After an objection is lodged, the Comptroller must consider the objection and after such consideration serve a notice in writing as prescribed on the objector specifying the Comptroller’s decision to —

  - (a) allow the objection, decreasing the assessment for a period or periods in whole or in part;

- (b) disallow the objection, increasing the assessment for a period or periods in whole or in part; or
- (c) disallow the objection, not varying the assessment for any period.”;
- (c) by the insertion, immediately after subsection (7) of the following as a new subsection (7A) —  
“(7A) Any increase of the assessment made by the Comptroller under subsection (7) must be permitted pursuant to the assessment deadline under section 60.”;
- (d) in subsection (9), by the deletion of the words “ninety days” and the substitution of the words “one hundred and eighty days”.

**19. Repeal and replacement of section 81A of the principal Act.**

Section 81A of the principal Act is repealed and replaced by the following as a new section 81A —

**“81A. Appeal to the Tax Appeal Commission of an advance VAT ruling by the Comptroller.**

- (1) A person aggrieved with an advanced tax ruling or assessment of penalty may appeal the ruling or assessment of a penalty to the Tax Appeal Commission established under the Tax Appeal Commission Act, 2020.
- (2) An appeal under subsection (1) shall —
  - (a) be made in writing in the form and manner prescribed by the regulations;
  - (b) specify in detail the grounds on which the appeal is made; and
  - (c) be accompanied by —
    - (i) payment of the total amount of tax or penalty assessed; or
    - (ii) security for the total amount of tax or penalty assessed in a form acceptable to the Comptroller, where the ruling includes an assessment of tax or penalty.
- (3) The Tax Appeal Commission may on an appeal of an advanced VAT ruling —
  - (a) in the case of an assessment under appeal, confirm, vary, or set aside the Comptroller’s assessment; or
  - (b) in any other case, set the Comptroller’s ruling aside and remit the matter back to the Comptroller for reconsideration in accordance with the directions of the Tax Appeal Commission.

- (4) The Tax Commission shall, within sixty calendar days after an appeal has been lodged, hear and decide the appeal and serve a notice of decision in writing.
- (5) An appellant may, where sixty calendar days have passed since an appeal was lodged and the Tax Appeal Commission has not served a notice of decision referred to in subsection (4), further appeal the matter to the Supreme Court under section 84 as if the Tax Appeal Commission had made a decision disallowing the appeal.”.

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

The *First Schedule* to the principal Act is amended in Item 9(k) by the deletion of the word “Crown” and the substitution of the word “Government.”

**21. Amendment of the Third Schedule to the principal Act.**

The *Third Schedule* to the principal Act is amended in Item 7(a) by the insertion, immediately after the figure “2.5”, of the symbol “%”.

**22. Amendment of Fourth Schedule to the principal Act.**

The *Fourth Schedule* to the principal Act is amended by—

- (a) the renumbering of the existing Schedule as “**Part I**”;
- (b) the deletion of 5% in “Tariff Code 1704.1000 – Chewing gum, whether or not sugar -coated” and the substitution of 10%;
- (c) the deletion of 5% in “Tariff Code 1704.9010 --- Boiled Sweets” and the substitution of 10%;
- (d) the deletion of 5% in “Tariff Code 1704.9090 --- Other” and the substitution of 10%;
- (e) the deletion of 5% in “Tariff Code 2202.10 – Sodas” and the substitution of 10%;
- (f) the insertion, immediately after Tariff Code “2209.0000” and its particulars, of the following as a new Part II—

**“Part II**

Tariff Code	Description
3001.2000	- Extracts of glands or other organs or of their secretions
3001.9010	--- Stem Cells
3001.9090	--- Other
3002.1210	--- Stem cells
3002.1290	--- Other

3002.1300	-- Immunological products, unmixed, not put up in measured doses or in forms or packing's for retail sale
3002.1400	-- Immunological products, mixed, not put up in measured doses or in forms or packing's for retail sale
3002.1500	-- Immunological products, put up in measured doses or in forms or packing's for retail sale
3002.4100	- Vaccines for human medicine
3002.4200	- Vaccines for veterinary medicine
3002.4900	- Other
3002.5100	- Cell therapy products
3002.5900	-- Other
3002.9000	- Other
3003.1000	- Containing penicillins or derivatives thereof, with a penicillanic acid structure, or streptomycins or their derivatives
3003.2000	- Other, containing antibiotics
3003.3100	-- Containing insulin
3003.3900	-- Other
3003.4100	-- Containing ephedrine or its salts
3003.4200	-- Containing pseudoephedrine (INN) or its salts
3003.4300	-- Containing norephedrine or its salts
3003.4900	-- Other
3003.6000	- Other, containing antimalarial active principles described in Subheading Note 2 to this Chapter.
3003.9000	- Other
3004.1000	- Containing penicillins or derivatives thereof, with a penicillanic acid structure, or streptomycins or their derivatives
3004.2000	- Other, containing antibiotics
3004.3100	-- Containing insulin
3004.3200	-- Containing corticosteroid hormones, their derivatives or structural analogues
3004.3900	-- Other
3004.4100	-- Containing ephedrine or its salts
3004.4200	-- Containing pseudoephedrine (INN) or its salts

3004.4300	-- Containing norephedrine or its salts
3004.4900	-- Other
3004.5000	- Other, containing vitamins or other products of Heading 29.36
3004.6000	- Other, containing antimalarial active principles described in Subheading Note 2 to this Chapter.
3004.9000	- Other
3005.1000	- Adhesive dressings and other articles having an adhesive layer
3005.9000	- Other
3006.1000	- Sterile surgical catgut, similar sterile suture materials (including sterile absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics; sterile surgical or dental adhesion barriers, whether or not absorbable
3006.3000	- Opacifying preparations for X-ray examinations; diagnostic reagents designed to be administered to the patient
3006.4000	- Dental cements and other dental fillings; bone reconstruction cements
3006.5000	- First-aid boxes and kits
3006.6000	- Chemical contraceptive preparations based on hormones, on other products of Heading 29.37 or on spermicides
3006.7000	- Gel preparations designed to be used in human or veterinary medicine as a lubricant for parts of the body for surgical operations or physical examinations or as a coupling agent between the body and medical instruments
3006.9110	--- Colostomy bags
3006.9120	--- Colon hydrotherapy tubing
3006.9190	--- Other
3006.9300	-- Placebos and blinded (or double-blinded) clinical trial kits for a recognized clinical trial, put up in measured doses.
3401.19	-- Other
3401.1930	--- Baby wipes
4818.9010	--- Bed Pads
9018.3110	--- Insulin syringes with or without needles
9018.3190	--- Other



9018.3200	--Tubular metal needles and needles for sutures
9018.3900	--Other
9018.9030	--- Lancets
9018.9040	--- Blood pressure measuring instrument
9027.8910	--- Blood glucose meters
9619.0010	--- Napkins and napkin liners for infants
9619.0020	--- Feminine sanitary towels and tampons
9619.0030	--- Other disposable under garments (Adult undergarments)
9619.0090	--- Other

### OBJECTS AND REASONS

Clause 1 of the Bill sets the short title and commencement date. Clause 22 which introduces the Schedule of reduced rate medical supplies comes into force on September 1, 2025.

Clause 2 of the Bill sets out the updated definition of “food store,” and corrects clerical errors in the definitions of “goods,” and “taxable activity.”

Clause 3 of the Bill imposes a deposit of \$1,000 or other prescribed security for applications to the DIR for VAT rulings. VAT rulings are to be binding and will introduce a period where the transaction ruling must be carried out. Where the transaction ruling is not carried out, the applicant will be subject to a penalty equal to the greater of \$1,000 and 1/10th of 1% of the assessment that would arise from the transactions or instruments outlined in the ruling.

Clause 4 and 5 of the Bill updates a reference to the Business Licence Act to its 2023 version.

Clause 6 of the Bill empowers the Comptroller to determine the date of cancellation of a VAT registration.

Clause 7 of the Bill replaces “Registrar-General” with “Registrar of Records.” in reference to the mandatory submission of conveyance documents to be stamped before recording.

Clause 8 of the Bill, introduces penalties for making false VAT declarations in property transfers. Where a person makes a false VAT declaration a tiered penalty is imposed based off the percentage of the underreported amount.

Clause 9 sets out the interest on unpaid tax at prime + 1%; for real property after the expiry of 21 days.

Clause 10 of the Bill changes the reporting deadline from December 31 to January 31 of the following year.

Clause 11 of the Bill requires declaration to be filed with the Comptroller by a person selling real estate. Where that person engages a real estate agent, the real estate agent is required to file the prescribed declaration within thirty days of the date of closing or risk joint and several liability with the seller to a penalty equal to 3% of the amount paid for the real property. The requirement to file applies to direct and indirect conveyances of real property.

Clause 12 of the Bill restricts input VAT deductions for major construction unless involved in taxable supply of real property.

Clause 13 of the Bill provides detailed rules for carrying forward excess VAT credits and refund claims.

Clause 14 of the Bill inserts a new provisions which allows refunds for overpaid VAT and defines the claim and appeal process.

Clause 16 of the Bill includes religious organisations in VAT exemptions.

Clause 17 of the Bill provides for the assessment of VAT by the Comptroller on the supply of real property at any time. It also prescribes (a) VAT to take priority over other payments and (b) liability to ensure VAT is paid in priority may extend to recipients of funds related to the supply of that real property.

Clause 18 expands appealable decisions to the Tax Appeal Commission, modifies and extends timeline for the Tax Appeal Commission to hear a matter from ninety days to one hundred and eighty days.

Clause 19 of the Bill establishes the formal appeal process to the Tax Appeal Commission for advance VAT rulings.

Clause 22 of the Bill increases VAT from 5% to 10% on sweets and sodas; reduces VAT on medical and hygiene products to 5%.