



INTERNATIONAL & INDUSTRY
LIAISON UNIT

TRADE BEAT

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FISCAL INCENTIVES FOR THE PRODUCTIVE SECTOR (PART 3)



The overhaul of the fiscal incentives for the productive sector in Jamaica was geared towards establishing a transparent and comprehensive system to govern all taxes. One major benefit to be derived from this initiative was the creation and protection of infant and small industries. The Customs Tariff (Revision) (Amendment) Resolution, 2013 was one of four pieces of legislation to be amended in the overhauling process.

The first issue in the three-part series of the Trade Beat spoke of the amendments made to the Third Schedule of the Customs Tariff (Revision) (Amendment) Resolution, 2013 (“this Resolution”). The amendments to the Third Schedule included the addition of four new parts- Parts 5, 6, 7, and 8. Part 5, which relates to Productive Inputs Relief for the Production of Primary Products and Manufacture of Goods, was discussed in the second issue of the series. This final issue will discuss Parts 6, 7 and 8, which relate to Productive Inputs Relief for the Tourism Industry, the Creative Industries, and the Healthcare Sector respectively.

For the purposes of Parts 6, 7 and 8, “taxpayer” means a person who would be liable for the payment of customs duty if it were not for the exemption provided under this Part.

PART 6 - Productive Inputs Relief for the Tourism Industry

Part 6 of the Third Schedule to this Resolution speaks to Productive Inputs Relief for hotels, resort cottages and tourist attractions.



FISCAL INCENTIVES FOR THE PRODUCTIVE SECTOR

PART 6 - Productive Inputs Relief for the Tourism Industry (cont'd)

Productive Inputs Relief for Hotels and Resort Cottages

Paragraph 1(1) of this Part of the Third Schedule to this Resolution refers to goods listed in Table 1 below which, to the satisfaction of the Commissioner of Customs, are imported by a taxpayer solely for use in a hotel or resort cottage within the meaning of section 2 of the Tourist Board Act, the operation of which is, or upon completion is intended to be licensed by the Tourist Board under the Tourist Board Act, shall be exempt from customs duty.

Table 1- Good for use in Hotel or Resort Cottage

Accumulator Batteries	Kitchen sinks and other kitchen fixtures
Air conditioning apparatus including remote controls	Landscape lighting
Bar equipment	Lavatory, seats and covers of plastics
Baths, shower-baths, sinks, was-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics	Linen (bed and bath, kitchen, table) and towels
Batteries for outboard engines	Marble
Billiard tables and their appliances	Mirrors
Bottle coolers	Plastic tables, plastic chairs
Chafing dishes and portable food warmers	Plastic (including PVC) floor, ceiling and wall coverings
Coffee urns (commercial type)	Plastic covers for electrical switches or outlets
Commercial washers and dryers	Pool and patio chairs, tables and umbrellas (excluding those made from wood)
Commercial cookware and kitchen utensils	Public Address Systems
Communication equipment (hand held 2-way radios)	Pillows and blankets
Conference/ Meeting room audio/visual equipment	Refrigerators
Counter tops	Rugs and carpets
CPR and First aid equipment	Sanitation equipment (including hand dryers)
Crockery, glassware and cutlery	Safety/ Emergency equipment and devices (such as life jackets and preservers, safety helmets, boots, knee pads, elbow pads, rubber non-skid mats)
Dynamos	Sanitary ware and parts thereof, of iron or steel (whether enamelled or not)
Dehumidifiers	Satellite communication systems (only one such system permitted)
Electric cooking equipment, gas cooking equipment	Sauna, steam room and spa equipment (and parts thereof)- excluding general purpose furniture, fixtures and fittings
Electric fans	Scuba diving regulators, compressors, tanks and buoyancy compensator devices
Electric sound or visual signalling apparatus (such as bells, sirens, indicator panels, burglar or fire alarms) excluding that which relates to motor vehicles	Solid waste recycling equipment
Floating docks	Surveillance equipment
Freezers (commercial)	Swimming pool equipment (such as pumps and filters)
Furniture (excluding those primarily of wood)	Telecommunications switchboards, PBX systems
GPS satellite navigators	Television, radios and digital media players
Golf carts (and parts thereof)	Tiles
Hot water equipment, boiler and tanks	Toaster, Toaster ovens
Hurricane shutters	Trampolines, inflatable activity centres/bouncers
Ice machines and boxes	Tile polishing machines
Ice-cream dispensers	Trolleys
Jacuzzi equipment and replacement parts	Water coolers
Juice dispensers (commercial), extractors and blenders	Water sports equipment (such as vessels, engines, engine parts, sails, ropes, marine transmission and inflatables (excluding jet skis and wave runners))
Key programming machines	Water slides

FISCAL INCENTIVES FOR THE PRODUCTIVE SECTOR

PART 6 - Productive Inputs Relief for the Tourism Industry (cont'd)

Productive Inputs Relief for Tourism Attractions

Paragraph 2(1) of Part 6 of the Third Schedule to this Resolution refers to goods listed in Table 2 below which, to the satisfaction of the Commissioner of Customs, are imported by a taxpayer solely for use as listed in Table 2 by that taxpayer in a tourism attraction, shall be exempt from customs duty.

Table 2- Goods for Use in a Tourism Attraction

- | |
|--|
| 1. Machinery and equipment (including parts and accessories thereof) that is used directly in the operation of a tourism attraction. |
| 2. Materials fixtures and fittings that are used directly for the installation and operation of machinery and equipment specified in (a) above (including essential support structure associated with that machinery and equipment. |
| 3. Live animals that are used directly in the operation of a tourism attraction, subject to approval by the Veterinary Division of the Ministry of Agriculture. |
| 4. Other goods (not being building materials, motor vehicles or consumables) that are used directly in the operation of a tourism attraction. |
| 5. Emergency, life-saving, first aid, and safety equipment and devices that are used directly in the operation of a tourism attraction. |



In relation to paragraph 2(1), subparagraph (2) defines the following terms related to tourism attraction as stated in this paragraph:

“Consumables” means materials and articles consumed or expended by a taxpayer in the course of operating a tourism attraction.

“Tourist” means a tourist within the meaning of section 2 of the *Tourist Board Act*

“Tourism attraction” means a place of interest-

(i) that attracts tourists for its inherent or exhibited natural or cultural value, historical significance, natural or built beauty, or the opportunities it offers tourists for leisure, adventure or amusement, and

(ii) the operation of which is, or upon completion is, intended to be licensed as a tourism enterprise within the meaning of section 2 of the *Tourist Board Act*.

However, tourism attraction does not include facilities that are not an inherent part of the attraction of the place, including facilities for the retail sale of goods, the provision of food and beverages or other support services.

FISCAL INCENTIVES FOR THE PRODUCTIVE SECTOR

PART 7 - Productive Inputs Relief for Creative Industries



Paragraph 1(1) of Part 7 of the Third Schedule to this Resolution refers to goods listed below, which, to the satisfaction of the Commissioner of Customs, are imported by a taxpayer solely for use in motion picture production, sound-recording production and musical performance, shall be exempt from customs duty.

Productive Inputs Relief for Motion Picture Production

Productive Inputs Relief for Motion Picture Production under Part 7 of the Third Schedule to this Resolution refers to:

1. Goods described in point 2 below that are imported by a taxpayer, who is engaged full-time in the production of motion pictures on a commercial basis, for direct use by that taxpayer in motion picture production (including any part thereof) in Jamaica.
2. The goods referred to in point 1 above comprise equipment (including software, parts, accessories and support systems thereof) which is designed for commercial use and is used directly for the purpose of motion picture or sound capture and recording, animation, production lighting or post-production editing, and finishing of a motion picture.

For the purposes of points 1 and 2, “**motion picture**” means a motion picture (including voice, music and other acoustical accompaniments) that is suitable for cinematic viewing or television broadcast, and includes animated pictures and pictures displaying advertising material.

Productive Inputs Relief for Sound Recording Production and Musical Performance

Productive Inputs Relief for Sound Recording Production and Musical Performance under Part 7 of the Third Schedule to this Resolution refer to:

1. Goods described in point 3 below that are imported by a taxpayer, who is engaged full-time in the production of sound recordings on a commercial basis, for direct use by that taxpayer in motion picture production (including any part thereof) in Jamaica or the Caribbean Common Market.
2. Goods described in point 3(b) below that are imported by a taxpayer, who is an individual engaged full-time in the performance of musical works on a commercial basis, for direct use by that individual in the performance of musical works.
3. The goods referred to in points 1 and 2 are-
 - (a) equipment (including software and parts and accessories thereof) which is designed for professional use in a sound recording studio and used directly for the use of sound capture and recording, instrumentation, mixing and mastering of sound recordings; and
 - (b) Musical instruments falling within Tariff Headings 92.01, 92.02, 92.05, 92.06 (other than Tariff Heading 9206.00.10) or 92.07.

FISCAL INCENTIVES FOR THE PRODUCTIVE SECTOR

PART 8 - Productive Inputs Relief for the Healthcare Sector

Paragraph 1 of Part 8 of the Third Schedule to this Resolution refers to goods listed in the Table below which, to the satisfaction of the Commissioner of Customs, are imported by a taxpayer solely for use by that taxpayer in the operation of a healthcare facility, shall be exempt from customs duty.

HS Heading	HS Sub-Heading	Description
9018	11.00.00	Electro-cardiographs
9018	12.00.00	Ultrasonic scanning apparatus
9018	13.00.00	Magnetic resonance imaging apparatus
9018	14.00.00	Scintigraphic apparatus
9018	19.00.00	Other
9018	20.00.00	Ultra-violet or infra-red apparatus
9018	41.00.00	Dental drill engines, whether or not combined on a single base with other dental equipment
9018	49.00.00	Other
9018	50.00.00	Other ophthalmic instruments and appliances
9018	90.00.00	Other instruments and appliances
9019	10.00.00	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus
9022	12.00.00	Computed tomography apparatus
9022	13.00.00	Other, for dental uses
9022	14.00.00	Other, for medical, surgical or veterinary uses
9022	19.00.00	For other uses
9022	21.00.00	For medical, surgical, dental or veterinary uses
9022	29.00.00	For other uses
9022	30.00.00	X-ray tubes
9022	90.00.00	Other, including parts and accessories



For the purposes of this Part, “healthcare facility” means a facility where medical, surgical, dental or ophthalmic services are provided and included a “public health facility” and a “regional hospital” within the meaning of section 2 of the *National Health Services Act* and a “public hospital” within the meaning of section 17 of that Act.

FISCAL INCENTIVES FOR THE PRODUCTIVE SECTOR

Customs Duty Treatments for Eligible Concessionary Goods

Taxpayers who qualify for Productive Inputs Relief under Parts 6, 7 and 8 of the Third Schedule of the Customs Tariff (Revision) (Amendment) Resolution, 2013 are eligible to receive duty-related benefits on their imports. Primarily, the goods stated in each Part are eligible for import duty exemption by paying a rate of 0%. However, as seen in the table below, some goods in certain sectors may be eligible for additional duty concessions under this Resolution. The other concessionary duty types include: General Consumption Tax (GCT), Additional Stamp Duty (ASD), Standard Compliance Fee (SCF), and Environmental Levy (ENVL).

Part	Sector	Eligible Duty Exemptions				
		Import Duty	GCT	ASD	SCF	ENVL
6	Hotel or Resort Cottage	☑	☑	☑	-	-
6	Tourism Attraction	☑	☑	-	-	-
7	Motion Picture Production	☑	-	-	-	-
7	Sound Recording Production and Musical Performance	☑	-	-	-	-
8	Healthcare Sector	☑	☑	-	☑	☑



Conditions to Importing Concessionary Goods under Parts 6, 7 and 8 of the Third Schedule



Similar to Part 5 of the Third Schedule, Parts 6, 7 and 8 of the Third Schedule provide a list of goods that are not eligible for import duty exemption under each Part (*a note is made for each listed item below pertaining to the Parts to which the ineligibility applies to*). The **ineligible goods** include:

- (a) Goods listed in Part I of the Fourth Schedule to this Resolution (**Parts 6, 7 and 8**).
- (b) Goods of a type which the Commissioner of Customs is satisfied can be obtained in adequate supplies from a manufacturer in Jamaica or within the Common Market area (**Parts 6, 7 and 8**).
- (c) Goods that are imported for use by a person who is a continuing beneficiary within the meaning of section 2 of the Fiscal Incentives (Miscellaneous Provisions) Act (**Parts 6 and 7**). This is indicative that a taxpayer who continues to benefit under a repealed incentive law related to Parts 6 or 7 is not allowed to enjoy the terms and conditions under Parts 6 or 7. However, in order for the continuing beneficiaries to benefit, they must elect to give up their entitlements and enjoy the new tax incentive credits and other benefits under the reformed incentive regime.
- (d) Goods listed in Table 2 (goods for use in a Tourism Attraction) for use by any person who is a beneficiary of any exemption from or remission of customs duty in respect of any goods imported by that of this Part (**Part 6**).

It is recommended that taxpayers consult a licensed customs broker when considering importation of items using duty concession as there may be other provisions related to the Schedule that were not specified in this document.

END OF SERIES

FISCAL INCENTIVES FOR THE PRODUCTIVE SECTOR



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The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global and local trade topics, their importance to Customs Administrations world-wide and, specifically, how they affect the Jamaica Customs Agency.

As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA.

QUESTIONS??? The International Liaison team is available to respond to your queries and to clarify any points of concern.

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