

A BILL

entitled

MISCELLANEOUS TAXES AMENDMENT ACT 2019

TABLE OF CONTENTS

Preliminary

- 1 Citation and interpretation

The Taxes Act

- 2 Repeals Part VA (passenger cabin tax)
3 Amends section 32N
4 Inserts section Part VC (large ship infrastructure tax)

The Rates Act

- 5 Amends section 9B (passenger departure tax)
6 Inserts section 9C (large ship infrastructure tax)

Final provisions

- 7 Consequential amendments
8 Commencement and saving

WHEREAS it is expedient to amend the Miscellaneous Taxes Act 1976 and the Miscellaneous Taxes (Rates) Act 1980 as regards taxes relating to cruise ship passengers, and to make consequential amendments;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Preliminary

Citation and interpretation

- 1 (1) This Act may be cited as the Miscellaneous Taxes Amendment Act 2019.
(2) In this Act—
“the Taxes Act” means the Miscellaneous Taxes Act 1976;

MISCELLANEOUS TAXES AMENDMENT ACT 2019

“the Rates Act” means the Miscellaneous Taxes (Rates) Act 1980.

The Taxes Act

Repeals Part VA (passenger cabin tax)

2 Part VA (sections 32A to 32E) of the Taxes Act, which relates to passenger cabin tax, is repealed.

Amends section 32N

3 In section 32N of the Taxes Act (penalty for non-payment of passenger departure tax), delete “\$25” and substitute “\$75”.

Inserts section Part VC (large ship infrastructure tax)

4 After section 32N of the Taxes Act, insert—

“PART VC

LARGE SHIP INFRASTRUCTURE TAX

Meaning of “large passenger ship”

32O (1) In this Part, “large passenger ship” means a passenger ship which—

- (a) has a gross tonnage exceeding 149,000 tons;
- (b) exceeds 1,120 feet in length; or
- (c) carries in excess of 4,000 passengers.

(2) For the purposes of subsection (1), “passenger ship” has the meaning assigned by section 1 of the Passenger Ships Act 1972.

Large ship infrastructure tax

32P In addition to any passenger departure tax payable under Part VB, large ship infrastructure tax shall be charged in respect of each visit by a large passenger ship to Bermuda, and shall be payable by the owner, operator or agent of the ship at the rate prescribed in the Rates Act, calculated by reference to the number of passengers departing from Bermuda on the ship.

Application of Part VB to large ship infrastructure tax

32Q Section 32F(2) and sections 32H to 32N (collection, exemptions, registration, liability for payment, penalty for late and non-payment, refunds and tax period) shall apply, with the necessary modifications, in relation to large ship infrastructure tax as they apply to passenger departure tax.”

MISCELLANEOUS TAXES AMENDMENT ACT 2019

The Rates Act

Amends section 9B (passenger departure tax)

5 In section 9B of the Rates Act (rate of passenger departure tax)—

(a) delete subsection (2)(b), and substitute—

“(b) for passengers travelling by passenger ship between 1 April and 31 October—

(i) \$20 per passenger for each period of 24 hours, or any part thereof, that the ship remains in Bermuda, from the time when it docks in Hamilton or St George or is at anchor with tender to Hamilton or St George, up to a maximum of \$60; or

(ii) \$25 per passenger for each period of 24 hours, or any part thereof, that the ship remains in Bermuda, from the time when it docks in Dockyard or is at anchor with tender to Dockyard, up to a maximum of \$75;

(c) for passengers travelling by passenger ship between 1 November and 31 March, nil.”; and

(b) after subsection (2), insert—

“(3) In subsection (2)(b)(ii), “Dockyard” means Heritage Wharf or King’s Wharf at the Royal Naval Dockyard, Ireland Island.”

Inserts section 9C (large ship infrastructure tax)

6 After section 9B of the Rates Act, insert—

“Rate of large ship infrastructure tax

9C The rate of large ship infrastructure tax shall be \$22 per passenger where the ship’s visit to Bermuda includes any days between 1 April and 31 October.”

Final provisions

Consequential amendments

7 (1) In consequence of the repeal of Part VA of the Taxes Act (passenger cabin tax) by section 2—

(a) section 9A of the Rates Act, and Schedule 2 to that Act, are repealed;

(b) in the First Schedule to the Taxes Management Act 1976, the entry “Passenger Cabin Tax” is repealed;

(c) in the Schedule to the Tax (Accounts and Records) Regulations 1991, paragraph 4A is revoked;

MISCELLANEOUS TAXES AMENDMENT ACT 2019

- (d) the Taxes Management (Passenger Cabin Tax Prescribed Forms) Regulations 2000 are revoked.
 - (e) the Miscellaneous Taxes (Passenger Cabin Tax Waiver) Notice 2010 (which is spent) is revoked.
- (2) In consequence of the introduction of large ship infrastructure tax by section 4—
 - (a) in the First Schedule to the Taxes Management Act 1976, insert the entry “Large Ship Infrastructure Tax” in alphabetical order;
 - (b) in the Schedule to the Tax (Accounts and Records) Regulations 1991, in paragraph 4B, after “passenger departure tax” insert “and large ship infrastructure tax”.
- (3) In Form PDT3 in the Schedule to the Taxes Management (Passenger Departure Tax Prescribed Forms) Regulations 1999, under the heading “Tax Rate per passenger”, delete the entry “\$60.00 - April 1 to Oct 31 (inclusive)” and substitute—
 - “\$20 per day up to a maximum of \$60 - April 1 to Oct 31 (inclusive), Hamilton and St George
 - \$25 per day up to a maximum of \$75 - April 1 to Oct 31 (inclusive), Dockyard”.

Commencement and saving

- 8 (1) This Act comes into operation on 1 April 2019 (“the commencement day”).
- (2) The repeal of Part VA of the Taxes Act shall not affect the liability of any person to any passenger cabin tax which was payable before the commencement day, and the repealed Part VA and related provisions mentioned in section 7(1)(a) to (d), shall continue to apply accordingly.

MISCELLANEOUS TAXES AMENDMENT BILL 2019

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Miscellaneous Taxes Act 1976 (“the Taxes Act”) and the Miscellaneous Taxes (Rates) Act 1980 (“the Rates Act”) as regards taxes payable in relation to cruise ship passengers.

Clause 1 is self-explanatory.

Clause 2 repeals Part VA (sections 32A to 32E) of the Taxes Act which provided for passenger cabin tax.

Clause 3 amends section 32N of the Taxes Act to increase the penalty for non-payment of passenger departure tax from \$25 to \$75 for each person in relation to whom the payment should have been made.

Clause 4 inserts a new Part VC into the Taxes Act, which provides for a new large ship infrastructure tax payable in respect of passengers on large passenger ships, as defined. Provisions of Part VB of the Taxes Act relating to collection, exemptions, registration, liability for payment, penalty for late and non-payment, refunds and tax period, are applied with the necessary modifications to this new tax as they apply to passenger departure tax.

Clause 5 amends section 9B of the Rates Act to increase passenger departure tax in relation to passengers on passenger ships visiting Dockyard to \$25 per passenger per night, up to a maximum of \$75. For ships visiting Hamilton and St George, passenger departure tax remains at \$20 per passenger per night, up to a maximum of \$60.

Clause 6 amends the Rates Act by inserting new section 9C which sets the large ship infrastructure tax at \$22 per passenger visiting Bermuda between 1 April and 31 October.

Clause 7 makes consequential amendments. The repeals and revocations in subsection (1) are in consequence of the repeal of passenger cabin tax by clause 2. Subsection (2) makes amendments in consequence of the introduction of large ship infrastructure tax by clause 4. Subsection (3) updates Form PDT3 in the Schedule to the Taxes Management (Passenger Departure Tax Prescribed Forms) Regulations 1999 to reflect the changes made by clause 5.

Clause 8 subsection (1) provides for commencement on 1 April 2019. Subsection (2) is a saving provision which confirms that the repeal of Part VA of the Taxes Act by clause 2 does not affect the liability of any person to any passenger cabin tax which was payable before the commencement day.