

THE ART AND CULTURE ALLOWANCE

One of the primary goals of the National Registry of Artists and Cultural Workers (Artist Registry) is to facilitate access of intended beneficiaries to the gains provided by the Art and Culture Allowance.

This allowance has been instituted via seven (7) distinct amendments to the Corporation Tax Act:

- Act No. 91 of 2000
- Act No. 2 of 2002
- Act No. 4 of 2004
- Act No. 2 of 2006
- Act No. 17 of 2007
- Act No. 13 of 2010
- Act No. 2 of 2013

What The Legislation Says

10G

(1) Subject to section 10L, where in a year of income, a company incurs expenditure in respect of an artistic work, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance equal to the actual expenditure incurred up to a maximum of three million dollars.

(2) In respect of a visual work of art –

- (a) the deduction may only be claimed in respect of the initial acquisition of the work; and
- (b) the deduction be allowed where the work –
 - (i) is done by a national of Trinidad and Tobago; and
 - (ii) is certified by an art gallery, which shall submit a valuation of the work done

(3) In the case of a performing art, the deduction shall only apply where—

- (a) the work is done by a national of Trinidad; and
- (b) the national rendering such work is registered with the Ministry with responsibility for culture

or with the Tobago House of Assembly, in the case of a national residing in Tobago.

(4) In this section “artistic work” means any work of art, whether visual or performing.

10J.

Subject to section 10L, where in a year of income commencing from the year 2003, a company sponsors audio, visual or video productions for the purposes of local education or local entertainment or reflecting local culture for radio or television, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance of 150% of the actual expenditure incurred in respect of such productions up to a maximum of three million dollars.

10K.

Where in a year of income commencing from 1st January 2006, a production company incurs expenditure in respect of its own audio, visual or video productions for educational purposes or promoting or reflecting local entertainment or local culture for use in radio, television or cinematograph works, there shall be allowed as a deduction in ascertaining the chargeable profits of the company for that year of income, an allowance equal to 150% of the actual expenditure incurred in making such productions up to a maximum of three million dollars.

10L.

(1) For the purpose of ascertaining the chargeable profits of a company for a year of income, the aggregate allowance that may be claimed under sections 10G, 10I, 10J and 10Q shall not exceed the sum of three million dollars.

(2) In the case of a production company, in addition to the deduction allowed under section 10K, the company shall be entitled to claim an aggregate allowance of up to a maximum of two million dollars with respect to sums paid to finance sporting activities and artistic works not related to its own business.

10M.

For the removal of doubt a company which is granted an allowance under sections 10G, 10H, 10I and 10J shall not also be entitled to a deduction under section 10 of the Income Tax Act as applies to the Corporation Tax Act.

10N.

For the purposes of sections 10J-

- (a) The Minister with responsibility for education shall issue a certificate, in respect of a production for educational purposes referred to therein, to the effect that the production is for educational purposes;
- (b) the Minister with responsibility for culture shall issue a certificate in respect of a production to promote or reflect local entertainment or culture referred to therein, in the manner prescribed to the effect that the production is to promote or reflect local entertainment or culture,

and a deduction shall not be allowed by the Board in the absence of such certificate.

10Q.

Subject to section 10L, where in a year of income commencing from the year 2013, a company incurs expenditure in promoting the fashion industry, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance equal to 150% of the actual expenditure incurred in respect of such promotions up to a maximum of three million dollars.