



**PUBLIC FINANCE MANAGEMENT (AMENDMENT)
BILL, 2022**

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PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2022

A BILL FOR AN ACT TO AMEND THE PUBLIC FINANCE MANAGEMENT ACT, 2021

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Public Finance Management Act, 2021 (*No. 8 of 2021*), may be cited as the Public Finance Management (Amendment) Act, 2022.
- (2) This Act shall come into force on the 1st day of July, 2022.

2. Amendment of section 2 of the principal Act.

Subsection (1) of section 2 of the principal Act is amended by the deletion of the words “tax legislation” and the accompanying definition.

3. Amendment of section 34 of the principal Act.

Section 34 of the principal Act is amended by the insertion immediately after subsection (4), of the following new subsection (4A) —

“(4A) Revenues derived from real property tax collected under the Real Property Tax Act (*Ch. 375*) in respect of property located on a Family Island all taxes and fees collected on a Family Island under the Road Traffic Act (*Ch. 220*), shall be utilized to defray expenses and fund expenditures of that Family Island as follows —

- (a) for the financial year commencing July 1, 2022, not less than ten percent;
- (b) for the financial year commencing July 1, 2023, not less than seventeen percent; and
- (c) for the financial year commencing July 1, 2024 and for subsequent financial years, not less than twenty-five percent.”.

4. Amendment of section 105 of the principal Act.

Subsection (3) of section 105 of the principal Act is amended by the deletion of the word “*Twelveth*” and the substitution of the word “*Twelfth*”.

5. Amendment of section 106 of the principal Act.

Subsection (3) of section 106 of the principal Act is repealed and replaced as follows —

- “(3) A Tax Compliance Certificate issued in accordance with this Act shall be valid for —
- (a) one month, where the applicant has accrued arrears under any tax legislation but can provide evidence to the Financial Secretary of a plan to satisfy the arrears;
 - (b) six months, where the Financial Secretary is satisfied that the applicant has satisfied its tax obligations under the enactments in the *Twelfth Schedule* for not less than three consecutive months immediately preceding the application;
 - (c) three months, in every other case.”.

6. Insertion of new section 110A into the principal Act.

The principal Act is amended by the insertion immediately following section 110 of the following new section —

“110A. Collection of arrears of taxes.

- (1) Where any revenue due and payable to the Government has not been paid for one year or more, the Ministry or revenue and taxing agency to which the arrears of revenue is payable shall advise the Department of Inland Revenue and shall transfer all relevant information in respect of the arrears to the Department of Inland Revenue which shall be responsible for the collection of the arrears.
- (2) All taxes and fees collected by the Department of Inland Revenue for debt in excess of one year, shall be deposited into the sinking fund.”.

OBJECTS AND REASONS

Clause 1 of the Bill sets out the short title and commencement.

Clause 2 of the Bill seeks to delete the definition of ‘tax legislation’ from the Act as that phrase is not found elsewhere in the Act.

Clause 3 of the Bill seeks to provide for revenue collected in Family Islands from real property taxes and Road Traffic taxes and fees collected to be used to defray expenses and fund expenditures in those Family Islands in specified percentages commencing 2022.

Clause 4 of the Bill seeks to correct a typographical error.

Clause 5 of the Bill seeks to amend the Act to change the period for which a Tax Compliance Certificate can be issued from six months to —

- (a) one month, if the applicant has arrears but has a payment plan in place;
- (b) six months, if the applicant is in good standing for at least three consecutive months in satisfying any tax obligations in relation to the Acts set out in the Twelfth Schedule;
- (c) three months, in every other case.

Clause 6 of the Bill seeks to amend the Act by establishing a procedure for the collection of revenue arrears to enable the Department of Inland Revenue to collect the arrears.