

POLICY NOTE

OGC No. 004/2023

Office of the General Counsel

Budgetary Proposals and Financial Statement 2022

Implementation of the Alternate Fuel Levy - <https://portal.bra.gov.bb/AFL>

On March 14, 2022, the Minister of Finance, Economic Affairs and Investment (“the Minister”), during the Budgetary Proposals and Financial Statement announced that, *“I propose to introduce a new Alternate Fuel Levy with a fixed and variable component for vehicles not powered by diesel or gasoline.”*

To give effect to the Budgetary Proposal, the Barbados Revenue Authority (“the Authority”) advises that:

Commencement Date

The Alternate Fuel Levy (“Levy”) will be implemented effective **April 1, 2023**.

Scope

- The Levy will apply to motor vehicles not powered by diesel or gasoline (hereinafter “Low Emission Vehicles”) **ONLY**.
- For the avoidance of doubt, the Levy will not apply to motor vehicles powered by diesel, gasoline or by a combination of gasoline/diesel and electricity (hybrid vehicles).
- The Levy applies to **BOTH** private and commercial Low Emission Vehicles.

Administration

The Levy will run concurrently with Government’s financial year i.e. April 1 to March 31.

The Levy comprises two components, namely, a Fixed and Variable Component. Please note that the fixed and variable component applies to each Low Emission Vehicle.

The Fixed Component is an annual amount of \$300.00 per financial year.

The variable component is \$0.02 for each kilometer in excess of 15, 000 kilometres per financial year.

Returns

To facilitate payment of the Levy, persons are required to file a return with the Authority and to record the relevant particulars. These particulars include but are not limited to the Low Emission Vehicle owner's -

- vehicle registration number;
- chassis number;
- engine number;
- insurance company;
- insurance policy number;
- in the first month of the Government's financial year, the reading of the odometer taken any time during the first week of the month of April 2023;
- for new vehicles purchased during the Government's financial year, the reading of the odometer taken any time during the first week after purchase of the vehicle;
- at the end of the Government's financial year, a reading of the odometer taken any time during the first week of the month of March 2024.
- for every year thereafter, a reading of the odometer taken any time during the first week of the month of March.

To access the return form, persons are advised to visit the Authority's website at <https://portal.bra.gov.bb/AFL>

Filing and Payment

The first filing and payment deadline of the fixed component of \$300 is due on or before May 2, 2023. (Note that, as April 30 is a Sunday, and May 1 is a public holiday, the payment and filing deadline has been extended to May 2, 2023).

The first filing and payment deadline of the variable component is due on or before March 30, 2024.

Where a person acquires a new vehicle during the Government's financial year, the person is required to file the return and pay the fixed component by 15th of following month. The variable component remains due on or before March 30, 2024.

Example

Please note the example below for your information.

Government's Financial Year	Fixed Component	Due Date	Variable Component	Due Date
2023/2024 (April 1, 2023 to March 31, 2024)	\$300	May 2, 2023	Where the total usage is 17,500km i.e. 2,500 km in excess of 15,000 km (2,500 x \$0.02) = \$50	March 30, 2024
2024/2025 (April 1, 2024 to March 31, 2025)	\$300	April 30, 2024	Where the total usage is 16,000 km i.e. 1,000 km in excess of 15,000 km (1,000 x \$0.02) = \$20	March 30, 2025

Penalties and Interest

A \$500 penalty shall be applicable for late filing.

A \$500 penalty shall be applicable for late payment.

Interest shall be calculated at a rate of 1% interest per month or part thereof.

Payment Options

The Levy may be paid via the following options -

- Credit or Debit Card
- SurePay Online
- SurePay in Person – Cash or Cheque
- Barbados Revenue Authority in Person - Cash or Cheque at the Pine Location **ONLY**

Retention of Documents

Persons are advised to retain a photograph of each odometer reading taken and insurance documents for audit purposes.

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April 4, 2023

<https://bra.gov.bb/News/Policy-Notes/>