

REVISED EXCISE TAX RATES ON NEW VEHICLES TO TAKE EFFECT IN JANUARY 2012

ST GEORGE'S Grenada, December 22, 2011 - The Ministry of Finance advises the general public, that effective January 1, 2012, the Excise Tax Rates for new vehicles will be as follows:

- 5.0% - on new vehicles with 2000cc or less, under tariff heading 87.03
- 7.5% - on new vehicles from 2001cc to 3000cc, under tariff heading 87.02, 87.03 and 87.04
- 10% - on new vehicles from 3001cc and above, under tariff heading 87.02 and 87.04

These revised rates follow Government's decision to extend the concessionary excise tax rate of zero percent on motor vehicles, to December 31, 2011. When initially announced in the 2011 Budget Speech, this concessionary rate was scheduled to expire on September 30, 2011.

The new rates were decided after consultations with the Motor Dealer's Association.

It must be noted that the rates that have now been agreed too are significantly lower that the rates that were implemented when the tax became effective with the introduction of the VAT.

Government will continue to monitor the situation being mindful of the need to support a stable and conducive business environment.

SOURCE: Ministry of Finance
