

THE CONTRACTORS LEVY ACT

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SCHEDULES

THE CONTRACTORS LEVY ACT

Act
21 of 1985.

[23rd December, 1985.]

1. This Act may be cited as the Contractors Levy Act. Short title.
2. In this Act—Interpre-
tation.
 - “Commissioner of Taxpayer Appeals” means the L.N.
8B/2002.Commissioner of Taxpayer Appeals appointed under section 11B of the Revenue Administration Act;
 - “construction operations” means such operations as are specified in Part I of the First Schedule but does not include the operations specified in Part II of that Schedule; and references to construction operations shall be taken—First
Schedule.
 - (a) except where the context otherwise requires, as including references to the work of individuals engaged in carrying out such operations; and
 - (b) as not including references to operations carried out or to be carried out otherwise than in Jamaica;
 - “haulage operations” means operations of any description specified in the Third Schedule; Third
Schedule.
 - “levy” means the levy imposed under this Act;
 - “principal contractor” means a person who, being a party to a contract (not being a contract of service) is responsible for the carrying out in Jamaica of construction operations or tillage operations or haulage operations under that contract, whether or not he performs all or any of those operations;

“sub-contractor” means a person who is a party to a contract (not being a contract of service) with a principal contractor relating to construction operations or tillage operations or haulage operations and under that contract—

- (a) he is under a duty to the principal contractor to carry out operations or to furnish his own labour or the labour of others in the carrying out of the operations or to arrange for the labour of others to be furnished in the carrying out of the operations; or
- (b) he is answerable to the principal contractor for the carrying out of the operations by other persons whether under a contract or under other arrangements made or to be made by him;

Second
Schedule.

“tillage operations” means operations of any description specified in the Second Schedule but does not include operations performed manually or with non-mechanical equipment.

Imposition of
levy on
contractors.

3. Subject to any regulations made pursuant to section 14 (1) (d), any person who makes any payment either to or on account of a principal contractor or a sub-contractor pursuant to a contract entered into on or after the date of commencement of this Act in respect of construction operations, tillage operations or haulage operations performed, or required to be performed, by that principal contractor or sub-contractor shall deduct from the gross amount of the payment a levy equal to two *per centum* of that gross amount.

Collection of
levy.

4.—(1) Subject to section 13 (1), a person who deducts the levy from any payment shall be deemed to be collecting the levy on behalf of the Collector of Taxes for the parish in which the levy is deducted and shall, within fourteen

days after the end of the calendar month in which the levy is deducted, pay to the Collector of Taxes the amount of the levy so deducted.

(2) Subject to the provisions of this Act and except in so far as regulations otherwise provide, the provisions of the Tax Collection Act concerning payment, collection and recovery of tax and the enforcing of payment shall *mutatis mutandis* apply to the levy in the same way as they apply to tax.

(3) A person who is required to make a deduction of levy pursuant to this Act and fails to do so shall nevertheless be liable to make payment to the Collector of Taxes in like manner and in like amount as if he had made the deduction aforesaid.

(4) Every person who is required by this Act to deduct the levy from any payment shall, within fourteen days after making the payment, furnish the principal contractor or sub-contractor, as the case may be, with a certificate setting out the gross amount of the payment and the amount of the levy which has been deducted (or, as the case may be, ought to have been deducted) and such other particulars as may be prescribed.

5. For the purposes of the Income Tax Act the levy deducted from any payment to a principal contractor or sub-contractor in any year shall not be treated as an expense under section 13 of the Income Tax Act but shall be regulated by the provisions of section 25E or section 32 (3), as the case may be, of that Act.

Treatment of levy for the purposes of income tax.

6. A Collector of Taxes may authorize payment to, or on account of, a principal contractor or sub-contractor without deduction of the levy where he is satisfied that there is no liability to make a deduction of levy from that payment.

Collector of Taxes may authorize payment without deduction.

Assessment
of levy.

7.—(1) A Collector of Taxes may assess the amount payable as levy where—

- (a) there is a dispute regarding the amount of the levy between the person liable to deduct the levy from any payment and either the person entitled to receipt of that payment or the principal contractor or sub-contractor, as the case may be; or
- (b) the amount (if any) deducted as levy from any payment is, in his opinion, either less or greater than the amount required to be deducted as levy under this Act; or
- (c) it appears to him that it is just in the circumstances of the case so to do.

(2) A Collector of Taxes shall cause a notice of assessment to be served personally or sent by registered post to any person appearing to him to be affected by the assessment; and—

- (a) where that person is, consequent on the assessment, required to make any payment to the Collector of Taxes, payment shall be made pursuant to section 4 (1) as if the date of receipt of the notice were the date on which levy was deducted from a payment; and
- (b) if any refund of levy is required, the Collector of Taxes shall make the refund or adjustment accordingly.

Objection
to assess-
ment.

8.—(1) If any person who is liable to deduct the levy from any payment or who is entitled to receipt of that payment disputes the assessment contained in the notice referred to in section 7 (2), he may, by notice of objection in writing, apply to the Collector of Taxes to review and to revise the assessment.