Interest on an approved loan used for an approved hotel project, as well as any distribution of that interest, is also exempt from tax in the hand of the recipient. Where a dividend is paid out of the profits accruing to the hotel owner or operator, it is exempt in the hands of the recipient if he or she is a resident. Where the recipient is a non-resident and liable to tax in his or her country of residence, the exemption is limited to the amount that the tax payable in Trinidad and Tobago exceeds the tax payable in the non-resident's country of residence.

Petroleum Taxes Act 1974. In computing the Supplemental Petroleum Tax (SPT) chargeable under exploration and production licences, an exploration allowance equal to 150 per cent of the direct cost of drilling exploration wells is deductible from gross income. There is also an allowance equal to the tangible costs incurred in development activity carried out in marine areas. An allowance of 140 per cent of all capital expenditure for plants and machinery to be used in enhanced recovery on land is deductible in arriving at the SPT.

Allowances with respect to land operations are deductible only from the gross income generated by the land operations, while allowances with respect to marine operations are deductible only against gross income from marine operations. Where deductible allowances exceed gross income in any financial year, the loss can be carried forward only to the extent that it would reduce the SPT to not less than 50 per cent of the amount that would otherwise be payable, had the set-off not been allowed.

In calculating the Petroleum Profit Taxes (PPT), the allowances permitted under the In Aid of Industry Ordinance apply. The initial allowance on new plant and machinery is 20 per cent, based on 120 per cent of the expenditure. In the exploration and development of new wells, an initial 10-per cent allowance is permitted on new expenditure directly related to the exploration and development activity. There is also an annual allowance prorated over the estimated life of the asset e.g. oil well, or 5 per cent, whichever is greater.

Approved Mortgage and Other Companies. Approved companies are exempt from corporation and other taxes. An approved company is one which agrees to finance, by way of mortgage, the purchase of newly constructed houses, pursuant to the Housing Act 1962 and other relevant legislation. An approved company may distribute the total of its exempt income, which will also be exempt in