

**ABSTRACT****FISCAL POLICY. A DESCRIPTIVE REVIEW OF THE 1992  
PETROLEUM TAXES REFORM IN TRINIDAD AND TOBAGO.****RONALD ROBERT BRANKER.**

The Reform of the Petroleum Tax Regime in Trinidad and Tobago in 1992 was necessitated by the phenomena of declining oil prices, crude production and government oil revenues.

The Petroleum Tax Regime designed in 1974 to cream off the excess rents associated with oil price shocks, was no longer justified in the context of falling oil prices and production. The main objectives of reform were to stimulate increased crude production, to introduce a genuine windfall-profits tax, to maintain central government revenue at an acceptable level and promote overall growth of the petroleum industry. It is in this context that the thesis develops a review of the 1992 Petroleum Taxes Reform in Trinidad and Tobago.

The thesis documents the major features of the 1992 Petroleum Tax Reform and distinguishes it from the tax regime it replaced. The impact of reform on actual flows of tax revenue is evaluated. In addition the hypothetical impact of exogenous changes in oil prices, on government revenue, is explored.

Further the thesis develops a link between a stated petroleum taxation policy for Trinidad and Tobago, and the economic development plan for the entire economy. The thesis therefore documents the details of the petroleum tax regime and relates its operation to the economic context within which Trinidad and Tobago is pursuing its development.

Introduction

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CHAPTER ONE THE PETROLEUM INDUSTRY IN TRINIDAD AND TOBAGO

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