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ST GEORGE'S, Grenada -- One of Grenada's leading trade unions has said that it will resist any attempt to lower the country's personal income tax (PIT) threshold.

The Technical and Allied Workers' Union (TAWU) said it is "absolutely opposed" to lowering the PIT ceiling that is being advocated by Aaron Moses, manager of Grenada's World Bank-sponsored Public Sector Reform Project. He has also served as policy advisor to Prime Minister Tillman Thomas.

For several years, PIT has been deducted from the salaries of Grenadians earning EC\$60,000 or more per year.

Government's revenues are collected primarily through the customs and from the value added tax that was introduced a couple years ago by the Thomas administration.

However, government has been experiencing shortfalls in revenues, resulting in recent late payment of monthly salaries to public officers.

TAWU said that based on statements from Moses, it appears government is considering lowering the PIT threshold.

The union, which is headed by Senator Chester Humphrey, said such a move will be equivalent to the imposition of a tax on workers and would be "exceedingly regressive".

"The Grenada Technical and Allied Workers' Union is of the view that the imposition of any such tax would be an unconscionable act and would lead to a further strangulation and slow down of the economy," TAWU said in a statement. "Our union wishes to state categorically, that it is absolutely opposed to the imposition of personal income tax on workers whose earnings are less than \$60,000 annually."

It also would be an "onerous burden" to further tax the working class that has "witnessed high inflation, falling family incomes due to high unemployment – now over 40 percent – and an economy which has stalled, with businesses collapsing every day and where there are massive foreclosure on homes," the TAWU statement added.

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Union opposes idea of taxing more Grenadian workers

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