

I assent.

**RICHARD E. LUYT**

Governor.

4th March, 1966.

ORDINANCE NO. 17 OF 1966.

INCOME TAX (AMENDMENT) ORDINANCE, 1966.

Arrangement of Sections.

Section

1. Short title and commencement.
2. Amendment of section 3 of Chapter 299.
3. Amendment of section 5 of Chapter 299.
4. Repeal of section 5A of Chapter 299.
5. Amendment of section 12 of Chapter 299.
6. Amendment of section 14 of Chapter 299.
7. Repeal of section 14A of Chapter 299.
8. Amendment of section 15 of Chapter 299.
9. Insertion of section 19B in Chapter 299.
10. Amendment of the Income Tax (Amendment) Ordinance, 1961 and of section 20 of Chapter 299.
11. Amendment of section 22 of Chapter 299.
12. Amendment of section 24 of Chapter 299.
13. Repeal and re-enactment of section 27 of Chapter 299.
14. Amendment of section 45 of Chapter 299.

An Ordinance to amend the Income Tax Ordinance.

[5th March, 1966]

Enacted by the Legislature of British Guiana:—

A.D. 1966.

1.(1) This Ordinance may be cited as the Income Tax (Amendment) Ordinance, 1966, and shall be construed and read as one with the Income Tax Ordinance, hereinafter referred to as the Principal Ordinance, and any Ordinance amending the same.

Short title and commencement.

Cap. 299.

(2) This Ordinance shall be deemed to have come into operation with respect to and from the year of assessment commencing on the 1st January, 1965.

2. Subsection (2) of section 3 of the Principal Ordinance is hereby amended by the insertion of the words "or any Assistant Commissioner of Inland Revenue," between the words "Revenue" and "according".

Amendment of section 3 of Chapter 299.

Amendment  
of section 5  
of Chapter  
299.

3. Section 5 of the Principal Ordinance is hereby amended in the following respects —

- (a) by the deletion of paragraph (f) of subsection (1) (as inserted by section 3 of the Income Tax (Amendment No. 2) Ordinance, 1962);
- (b) by the repeal of subsections (2) and (3); and
- (c) by renumbering subsection (1) as section 5.

No. 25 of  
1962.

Repeal of  
section 5A of  
Chapter 299.

4. Section 5A of the Principal Ordinance is hereby repealed.

Amendment  
of section 12  
of Chapter  
299.

5. Section 12 of the Principal Ordinance is hereby amended in the following respects —

- × (a) by the substitution for the words, "wholly, exclusively and necessarily", of the words, "wholly and exclusively" in subsection (1);
- (b) by the deletion of the symbols and word "(i) and (j)" appearing in paragraph (f) of subsection (1) and the insertion of the word "and" between the symbols "(g)" and "(h)"; and
- (c) by the deletion of the words "upon which the tax is payable" appearing at the end of paragraph (h) of subsection (1).

Amendment  
of section 14  
of Chapter  
299.

6. Section 14 of the Principal Ordinance is hereby amended in the following respects —

- (a) by the deletion of paragraphs (h) and (i);
- (b) by relettering paragraph (j) as paragraph (h); and
- (c) by the substitution of a semi-colon for the full stop at the end of paragraph (g).

Repeal of  
section 14A  
of Chapter  
299.

7.(1) Section 14A of the Principal Ordinance is hereby repealed.

(2) Notwithstanding the repeal of section 14A of the Principal Ordinance, where in respect of the years of assessment 1962, 1963 and 1964 tax was paid on a minimum chargeable income equivalent to two per centum of the turnover of his business by a person carrying on a manufacturing, mining or mercantile business, then notwithstanding that —

- (a) he had incurred a loss or made no net profit, the two per centum of the turnover of that business shall be treated as a loss to be set off against his chargeable income in accordance with section 15 of the Principal Ordinance as amended by this Ordinance;
- (b) he made a net profit of less than two per centum of the turnover, the difference between two per centum of the turnover and the actual net profit made shall

be treated as a loss to be set off against his chargeable income in accordance with section 15 of the Principal Ordinance as amended by this Ordinance.

8. Paragraphs (a) and (c) of the proviso to section 15 of the Principal Ordinance are hereby deleted and the following paragraphs substituted therefor — Amendment of section 15 of Chapter 299.

- “(a) in computing the chargeable income of any year of assessment the loss allowed to be set off shall not exceed the amount, if any, of the gains or profits for the year of assessment in respect of each source (as specified under the several heads of income in the prescribed return to be made of the income of persons) from which such losses have arisen;
- (c) in no case shall the set-off be allowed to an extent which will reduce the tax payable for any year of assessment to less than one-half of the amount which would have been payable had the set-off not been allowed.”

9. The following section shall be inserted in the Principal Ordinance immediately after section 19A — Insertion of section 19B in Chapter 299.

“Deduction allowed in respect of interest paid on housing loan.”

19B. In ascertaining the chargeable income of any individual who was resident in British Guiana in the year preceding the year of assessment and who has after the 31st December, 1964, obtained a loan for the purpose of financing the construction of a new building to be occupied by him as his residence there shall, if the building was being built or occupied by him as a residence for any period during the first-mentioned year, be allowed a deduction of the amount of the interest paid on that loan by that individual for such period:

Provided that no deduction shall be allowed in excess of such rate of interest as may be prescribed for the purposes of this section.”

10.(1) Section 2 of the Income Tax (Amendment) Ordinance, 1961, is hereby amended by the insertion of the words “subsection (1) of” between the words “to” and “section”. Amendment of the Income Tax (Amendment) Ordinance, 1961 and of section 20 of Chapter 299, No. 36 of 1961.

(2) The proviso to subsection (1) of section 20 of the Principal Ordinance is hereby amended as follows —

- (a) by the insertion before the word “where” at the beginning of paragraph (d) of the words “except as provided in paragraph (g) of the proviso,”;
- (b) by the deletion of the words “either the sum of fifteen hundred dollars or” in paragraph (f); and

(c) by the addition after paragraph (f) of the following paragraph —

“(g) where any such premium or contribution is paid to an approved company the limitation of fifteen hundred dollars imposed by paragraphs (d), (e) and (f) of this proviso shall not apply with respect to such premium or contribution, but in any such case the total deduction to be allowed under this section shall not exceed one-sixth of the chargeable income of such individual estimated as aforesaid.”

(3) The following subsection shall be inserted as subsection (3) of section 20 of the Principal Ordinance —

“(3) For the purposes of this section, and section 27 of this Ordinance, “approved company” means a company carrying on life assurance business and which is approved by the Commissioner for those purposes upon his being satisfied that, at the commencement of the year preceding the year of assessment, such company owned property in British Guiana of the net value of not less than two-thirds of its life assurance fund (as required to be kept by section 6 of the Life Assurance Companies Ordinance) and other funds held by the company in respect of its liabilities to policy holders in relation to its business in British Guiana:

Provided that the Commissioner may approve any company —

- (a) carrying on life assurance business; and
- (b) which within the period of three years preceding the year of assessment commenced to issue life assurance policies,

upon his being satisfied that, at the date on which the company commenced such issue as aforesaid or at the date of commencement of the year preceding the year of assessment, whichever is later —

- (c) the company owned property in British Guiana of the net value of not less than two hundred and fifty thousand dollars; and
- (d) ninety per centum of the company's income from premiums (if any) received in British Guiana during the year preceding the relevant date is invested in British Guiana.”

Amendment  
of section 22  
of Chapter  
300.

11. Section 22 of the Principal Ordinance is hereby amended in the following respects —

- (a) by the substitution of a colon for the full stop at the end of subsection (2) and the addition thereto of the following proviso —

“Provided that in the case of a company the head office of which is outside British Guiana the proportion of expenses of the head office to be deducted in any year shall not exceed seven and one-half per centum of the net amount remaining after deducting from the gross premiums received in British Guiana any premiums returned to the insured and any premiums paid on re-insurance, unless the Commissioner is satisfied that a higher allowance is reasonable in the circumstances.”;

- (b) by the substitution of a comma for the full stop at the end of the proviso to subsection (3) and the addition thereafter of the following —

“but such expenses of the head office to be deducted in any year shall not exceed seven and one-half per centum of the net amount remaining after deducting any premiums returned to the insured and any premiums paid on re-insurance from the gross premiums received in British Guiana in the case of any company the head office of which is situate outside British Guiana.”

12. Section 24 of the Principal Ordinance is hereby amended by the substitution of a full stop for the comma appearing after the word “recouped” and by the deletion of the remainder of the section following thereafter. Amendment of section 24 of Chapter 299.

13. Section 27 of the Principal Ordinance is hereby repealed and the following section substituted therefor — Repeal and re-enactment of section 27 of Chapter 299.

“Tax on companies.

27. The tax upon the chargeable income of a company shall be charged at the rate of forty-five per centum of the amount of the chargeable income:

Provided that where the company is an approved company the tax shall be charged at the rate of twenty-five per centum of the chargeable income.”

14. Section 45 of the Principal Ordinance is hereby amended in the following respects — Amendment of section 45 of Chapter 299.

- (a) by the deletion of paragraph (1); and  
 (b) by the renumbering of paragraphs (2) and (3) as paragraphs (1) and (2) respectively.

*Passed by the House of Assembly on the 24th of February, 1966.*

E. V. VIAPREE,  
*Clerk of the Legislature.*

(Bill No. 6/1966).