

Serial No. 1079/71



GUYANA.

GA

ACT NO. ²⁵~~22~~ OF 1971.

MISCELLANEOUS (FISCAL ENACTMENTS) (AMENDMENT)
ACT 1971.

I assent.

A. CHUNG,

President.

31st December, 1971.

Arrangement of Sections.

Section

1. Short title and commencement.
2. Effect of section 14 of the Income Tax (Amendment No. 2) Act, 1970.
3. Modification of section 10 of the Corporation Tax Act, 1970.
4. Amendment of enactments.

SCHEDULE

AN ACT to amend certain Fiscal Enactments.

A. D. 1971.

Enacted by the Parliament of Guyana:--

Short title
and
commence-
ment.

1. (1) This Act may be cited as the Miscellaneous (Fiscal Enactments) (Amendment) Act, 1971.

(2) The amendment by this Act of —

Cap. 299.

- (a) section 16 of the Income Tax Ordinance shall be deemed to have come into operation with respect to and from the year of assessment commencing 1st January, 1971;
- (b) section 19B of the Income Tax Ordinance shall be deemed to have come into operation at the commencement of the said section 19B;
- (c) sections 38B and 56 of the Income Tax Ordinance shall come **into operation** at the time of the enactment of this Act;

No. 7 of 1956

- (d) section 4 of the Licence Revenue Ordinance shall come **into operation at the** time of the enactment of this Act;

No. 25 of
1970.

- (e) section 2 of the Insurance Act 1970 shall be deemed to have come into operation at the commencement of the Insurance Act 1970.

(3) Save as otherwise provided by this Act, the amendments effected pursuant to subsection (1) of section 4 shall be deemed to have come into operation with respect to and from the year of assessment commencing on 1st January, 1970.

Effect of
section 14
of the
Income Tax
(Amendment
No. 2) Act,
1970.
No. 31 of
1970.

2. Notwithstanding the repeal of section 39 of the Income Tax Ordinance by section 14 of the Income Tax (Amendment No. 2) Act, 1970, the said section 39 shall have effect as if the said section 14 had not come into operation before its enactment.

Modification
of section 10
of the Cor-
poration Tax
Act, 1970.
No. 30 of
1970.

3. Notwithstanding the provisions of section 10 of the Corporation Tax Act, 1970, that section shall, in its application to the year of assessment commencing on 1st January, 1971, have effect as if the word "forty-one" and the word "thirty-one" were substituted for the word "thirty-five" and the word "twenty-five", respectively:

Provided that —

- (a) the increase in the corporation tax imposed by the foregoing provisions of this section shall not apply to a company which satisfies the Commissioner of

Inland Revenue that the company would not have been liable for the payment of withholding tax pursuant to section 27B of the Income Tax Ordinance if that section had been in operation during the period commencing on 1st January, 1970 and ending on 11th December, 1970;

- (b) any amount received by the Commissioner of Inland Revenue from a company as withholding tax pursuant to section 27B of the Income Tax Ordinance during the year 1970 shall be set off against the increase in the corporation tax payable by virtue of the foregoing provisions of this section.

Amendment of enactments

4. (1) The enactments specified in the first column of the schedule shall be amended in the manner specified in the second column thereof.

No. 31 of 1970.

(2) Section 1(4) of the Income Tax (Amendment No. 2) Act, 1970, shall be construed and have effect as if the numbers "10, 13," had always been inserted therein immediately after the word "Sections".

Section 4

SCHEDULE

ENACTMENT

AMENDMENT

Income Tax Ordinance Chapter 299
Section 14

- (a) Delete paragraph "(i)" and substitute a colon for the full stop at the end of the section;
- (b) Insert the following proviso as a proviso to paragraph (h) —

"Provided that no deduction shall be allowed as head office expenses in excess of one-half of one per cent of sales or gross income (including premium income in the case of a company carrying on in Guyana insurance business other than long-term insurance business as defined in section 2 of the Insurance Act 1970) in the case of a commercial company and one per cent in the case of a company other than a commercial company."

Section 16.

The following words shall be added to paragraph (b) immediately after the word "employment"—

- “or arising to the individual from any pension, superannuation or other allowance or deferred pay given in respect of his past services”.
- Section 19B
- (a) Insert the words “or purchase” immediately after the word “construction”;
 - (b) Renumber the section as section 19B (1) and add the following subsection as subsection (2)—

“(2) Subsection (1) shall not apply in the case of an individual who has obtained a loan for the purpose of purchasing a new building for his occupation as a residence unless he satisfies the Commissioner that prior to his occupation the building was never occupied.”
- Section 22
- The words “agency expenses or head office” shall be deleted from subsection (3).
- Section 27A
- (a) The words “enactment of this section” shall be substituted for the words “time of that repayment (but not before the commencement of the accounting period for the year of assessment 1970)” in subsection (3) (b);
 - (b) The words “and has done so after the enactment of this section” shall be substituted for the words “or has done so after the commencement of the accounting period for the year of income 1970” in subsection (4) (a).
- Section 27B
- (a) The words “enactment of this section” shall be substituted for the words “first day of January, 1970” in subsection (2);
 - (b) Substitute a colon for the full stop appearing at the end of subsection (2) and add the following proviso thereto—

“Provided that where the gross payment is of the nature of expenses as mentioned in section 22 (4), the amount of tax to be withheld from the aggregate of such payments in any year shall be equal to the tax which would be payable in respect of the aggregate sum allowed the company under that section for the year.”

- (c) For subsection (4) substitute the following subsection —

“(4) Where the distribution is a dividend —

- (a) made out of income other than income received from a resident company and in respect of which tax has already been paid by the company pursuant to section 27(b), such distribution shall be deemed to be an amount calculated in accordance with Part II of the Third Schedule and the amount of tax to be withheld from such distribution shall take into account income tax already paid by the company on the income out of which such dividend has been distributed;
- (b) distributed out of income received from a resident company, the distribution shall be deemed to be an amount calculated in accordance with the said Part II and if made to a non-resident individual a refund of

withholding tax may be made subject to the rate applicable to such individual.”

- (d) In subsection (6), insert immediately before the word “income” the words “or to a company resident in Guyana”.
- (e) For subsection (11), substitute the following subsection —

“(11) Notwithstanding the provisions of section 29, where prior to the enactment of this section income tax was paid on any income accumulated prior to that date and a distribution of such income is made after that date in the form of a dividend—

- (a) there shall be deemed to have been deducted from such dividend by a commercial company an amount equal to 44.5 per cent, and by any other company an amount equal to 36.4 per cent, of the dividend actually paid or deemed to have been paid;

- (b) it shall be deemed in the case of a commercial company to be a gross distribution of 144.5 per cent, and in the case of any other company a gross distribution of 136.4 per cent, of the amount actually paid or deemed to have been paid by the company;

- (c) withholding tax shall, if it is leviable thereon, be levied in accordance with PART I of the THIRD SCHEDULE.”

Section 27D

The words "enactment of this section" shall be substituted for the words "1st January, 1969" in subsection (1).

Section 27G

The words "the enactment of this section" shall be substituted for the words "1st January, 1970" in subsection (1).

Section 38B

- (a) The words "or on behalf of" shall be deleted from subsection (1) wherever they appear therein;
- (b) Substitute a colon for the full stop at the end of subsection (1) and add the following proviso thereto —

"Provided that where such a premium is received in Guyana by a company, the obligation to deduct the tax imposed by this subsection and to render an account to the Commissioner shall lie on the company."

Section 56

Insert the words "served on the Commissioner by registered post" immediately after the word "writing" in subsection (2).

Ordinance 1962.
Property Tax
Section 2

The following proviso shall be added to the definition of the expression "net property"—

"Provided further that the limitation imposed by the foregoing proviso on the amount of debts which may be taken into account shall not apply to—

No. 24 of 1965.

- (i) the amount held as deposits for depositors by a body corporate licensed under the Banking Ordinance 1965 or otherwise authorised by law to carry on banking business in Guyana;

No. 24 of 1970.

- (ii) the amount of the long-term insurance fund maintained by an insurance company pursuant to section 23(1)

of the Insurance Act 1970, in so far as it relates to the liability of the company in respect of policies issued by the company in Guyana in relation to its long-term insurance business;

- (iii) the fund (by whatever name called) maintained by a company whose business consists solely of the collection or receipt in Guyana of renewal premiums under policies issued in or outside Guyana prior to the commencement of the Insurance Act 1970 to persons ordinarily resident in Guyana and of the making of payments under those policies, in so far as the fund relates to the liability of the company in respect of those policies;"

**Insurance Act
1970.**
Section 2

In the definition of the expression "carrying on insurance business" insert the words "and to the making of payments under those policies" immediately after the word "Guyana" at the end of the definition.

**Corporation Tax
Act 1970**
Section 2(1)

Substitute a semicolon for the full stop at the end of the subsection, and add the following definitions thereto—

"year of assessment" means the period of twelve months commencing on 1st January, 1970 and each subsequent period of twelve months;

"year of income" means the year preceding the year of assessment.

Section 6(1)

Substitute the words "the year preceding the year of assessment" for all the words beginning with the word "respect" where it first appears and ending with the word "assessment" at the end of the subsection.

A.D. 1971]

*MISCELLANEOUS (FISCAL ENACTMENTS)
(AMENDMENT)*[No. ²⁵
~~22~~]

Section 6(2)

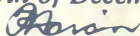
The words "in the year preceding" shall be substituted for the word "for".

**Licence Revenue
Ordinance, 1956.
(No. 7 of 1956).**

Section 4

The words "and throughout Guyana the powers conferred upon a district commissioner by section 14 of the Weights and Measures Ordinance" shall be inserted immediately after the word "taxes".

Passed by the National Assembly on the 29th of December, 1971.



F. A. NARAIN,

Clerk of the National Assembly.

(Bill No. 26/1971)