

Bill No. 28 of 1967

PUBLISHED 12TH DECEMBER, 1967

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INCOME TAX (IN AID OF INDUSTRY) (AMENDMENT) BILL, 1967.

Arrangement of Sections.

Section

1. Short title and commencement.
2. Amendment of section 3 of the Principal Ordinance.
3. Application of certain provisions to sections 16 and 23 of the Principal Ordinance.

A BILL intituled

AN ACT to amend the Income Tax (In Aid of Industry) Ordinance.

Enacted by the Parliament of Guyana:—

A.D. 1967.

1. (1) This Act may be cited as the Income Tax (In Aid of Industry) (Amendment) Act, 1967, and shall be construed and read as one with the Income Tax (In Aid of Industry) Ordinance, hereinafter referred to as the Principal Ordinance, and all amendments thereto.

Short title
and com-
mencement.
Cap. 300.

(2) This Act shall be deemed to have come into operation with respect to and from the year of assessment commencing 1st January, 1967.

2. Section 3 of the Principal Ordinance is hereby amended by the addition thereto of the following subsections —

Amendment
of section 3
of the
Principal
Ordinance.

“(6) Notwithstanding anything to the contrary in the preceding provisions of this section, but subject to subsection (8) hereof, any company (other than a Mutual Life Assurance Company) entitled under subsection (1) of this section to an initial allowance for the year of assessment referred to therein may, in that year, forego its claim to the entire allowance and in lieu thereof claim the allowance —

- (a) partly in the said year and partly in either or each of the next two succeeding years of assessment; or
- (b) in either of the aforesaid succeeding years of assessment, or partly in the one and partly in the other:

Provided that an initial allowance allowed in pursuance of paragraph (a) or (b) of this subsection shall, for the purposes of the computation of a balancing allowance or a balancing charge, be deemed to have been made in the ascertainment of the chargeable income of the company for the first-mentioned year of assessment.

(7) Where a company is allowed an initial allowance as provided by subsection (6) of this section, the company shall, for the year of assessment in respect of which the initial allowance or part thereof is allowed, be allowed a special allowance of one quarter of one per centum per annum of the initial allowance or part thereof for every five per centum of the initial allowance or part thereof which has not been claimed previously.

(8) A claim shall not be made under subsection (6) of this section unless the company has, in the year preceding the year of assessment in which the claim for the initial allowance or part thereof is to be made, notified the Commissioner in writing of its intention so to do.”

3. The provisions of subsections (6), (7) and (8) of section 3, of the Principal Ordinance as amended by this Act, shall apply *mutatis mutandis* to allowances under sections 16 and 23 of that Ordinance.

Application of
certain provi-
sions to
sections 16
and 23 of the
Principal
Ordinance.

EXPLANATORY MEMORANDUM

Sections 3, 16 and 23 of the Income Tax (In Aid of Industry) Ordinance, Chapter 300, permit initial allowances to be deducted for tax purposes in the year immediately after the investment takes place or immediately after the end of the tax holiday period. This Bill seeks to amend that Ordinance to enable such deductions to be made by a company (other than a Mutual Life Assurance Company) over a period of three years and thereby be entitled to an additional special allowance.

P. A. REID,
Minister of Finance.

(Bill No. 28/1967).