

L.A. Bill No. 11 of 1962PUBLISHED 2ND MAY, 1962.

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Public Buildings,
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The following Bill which will be introduced in the Legislative Assembly is published for general information.

I. CRUM EWING,
Clerk of the Legislature.

L.A. Bill No. 11 of 1962

INCOME TAX (AMENDMENT) BILL, 1962

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A BILL

Intituled

AN ORDINANCE TO AMEND THE INCOME TAX ORDINANCE.

Enacted by the Legislature of British Guiana :—

Short title
and com-
mencement..
Cap. 299.

1.(1) This Ordinance may be cited as the Income Tax (Amendment) Ordinance, 1962, and shall be construed and read with the Income Tax Ordinance, hereinafter referred to as the Principal Ordinance, and any Ordinance amending the same.

(2) Section 9 in so far as it relates to the insertion of paragraphs (h) and (i) in section 14 of the Principal Ordinance shall come into operation with respect to and from the year of assessment commencing on the 1st January, 1963 and section 26, section 28 in so far as it relates to paragraphs (a), (b) and (c) thereof, section 34 in so far as it relates to paragraph (a) thereof, and sections 36 and 43 of this Ordinance shall come into operation on such day as the Governor may by order appoint, and different dates may be appointed for different provisions:

Provided that regulations may be made under section 83, for any of the purposes of section 66A or 66B, of the Principal Ordinance as amended by sections 36 and 45 of this Ordinance, and any regulations so made shall come into force as if this subsection had not been enacted.

(3) Save as otherwise provided in subsection (2) of this section, the provisions of this Ordinance shall be deemed to have come into operation with respect to and from the year of assessment commencing on the 1st January, 1962.

(4) For the avoidance of doubts, it is hereby declared that the provisions of the preceding subsection shall not affect the operation of the provisions of sections 5, 27, 32 and 35 of this Ordinance with respect to any year of assessment prior to the commencement of the aforesaid sections.

Repeal and
re-enactment
of section 2
of Chapter
299.

2. Section 2 of the Principal Ordinance is hereby repealed and the following section substituted therefor —

2. In this Ordinance, unless the context otherwise requires —

“associated companies” means two or more companies where one has directly or indirectly control of the other or others, or any person has control directly or indirectly of both or of all of them; and where two or more companies share directly or indirectly equally in the ownership of all the ordinary share capital of another company all shall be deemed to be associated companies;

“body of persons” means any body politic, corporate or collegiate, and any company, fraternity, fellowship, or society of persons whether corporate or not corporate;

“business” includes an undertaking of any kind whatsoever and includes an adventure or concern in the nature

- of trade but does not include an office or employment;
- “chargeable income” means the aggregate amount of the income of any person from the sources specified in section 5 remaining after allowing the appropriate deductions and exemptions pertaining to each source separately, and such appropriate exemptions and deductions as pertain to his aggregate income;
- “Commissioner” means the Commissioner or Commissioners charged with the administration of this Ordinance;
- “Commonwealth Income Tax” means any income tax charged under any law in force in any part of the Commonwealth other than the United Kingdom;
- “company” includes a company incorporated or registered outside the Colony;
- “consolidated profits” means the gains and profits for the year of a whole group of subsidiary and associated companies, including that of the controlling company or companies, after the elimination of such income received by any of these companies which represents dividends paid by other companies of the group;
- “consolidated turnover” means the turnover for the year of a whole group of subsidiary and associated companies, including that of the controlling company or companies, after the elimination of all transactions between the various subsidiaries and associated companies, and these and the controlling company or companies;
- “earned income” means —
- (i) any income which is immediately derived by an individual or by his wife from the carrying on or exercise by him or by his wife of a trade, business, profession or vocation either as an individual, or, in the case of a partnership, as a partner acting therein; and
 - (ii) any income arising from any gains or profits, including any allowance, from any employment held by an individual or by his wife, or in respect of any pension, superannuation or other allowance or deferred pay given in respect of the past services of such individual or of the husband or wife or parent of such individual in any employment or given to such individual or his wife in respect of the past services of any deceased person, whether such individual or husband or wife or parent of such individual shall have contributed to such pension, superannuation allowance or deferred pay or not;
- “emoluments” include annuity, pension, and remuneration;
- “employed” means performing the duties of an office or employment;
- “employee” means any person receiving remuneration and includes an officer, servant or person holding a position of employment;
- “employer” means any person paying remuneration (including Her Majesty, or the Government of British Guiana) and in relation to an officer means the person from whom the officer receives his remuneration;
- “employment” means the position of an individual in the service of some other person (including Her Majesty, or the Government of British Guiana);
- “incapacitated person” means any infant, married woman, lunatic, idiot, or insane person;
- “local authority” means the Mayor and Town Council of Georgetown, the Mayor and Town Council of New Amsterdam, any local authority under the Local Government Board or constituted under any statute for the time being in force, any authority for the administration of drainage or irrigation or drainage and irrigation, any authority for the supply of water, any polder

authority and any authority for the administration of sewerage, water works, roads or sea defences;

“office” means the position of an individual entitling him to a fixed or ascertainable stipend or remuneration and includes a judicial office, the office of a Minister of the Crown, the office of a member of the Legislature, and any other office the incumbent of which is elected by popular vote or is elected or appointed in a representative capacity, and also includes the position of a director of a body of persons and “officer” means a person holding an office;

“pension” includes any superannuation or other allowance, or deferred pay given in respect of the past services of an individual or of the husband or wife or parent of such individual or given to such persons in respect of the past services of any deceased person or under any superannuation fund or scheme, and “pensioner” means a person in receipt of a pension;

“person” includes a body of persons;

“prescribed” means prescribed by regulation made under this Ordinance;

“remuneration” means all salaries, wages, overtime, leave pay, sick bonus, stipend, commission, or other payment of any kind for services, director’s fees, retiring allowances, compensation for the termination of any contract of employment or service, and any perquisites, including the annual value of any residence, quarters, board and lodging whether paid in money or otherwise, arising or accruing in or derived from or received in British Guiana which are chargeable under the provisions of this Ordinance, but shall not include any salary or share of profits arising from a trade, business, profession or vocation carried on by a person either by himself or in partnership with any other person;

“resident in the Colony” or “resident in British Guiana” when applied —

(i) to an individual means an individual who —

(a) resides permanently or being in British Guiana intends to reside permanently in British Guiana except for such temporary absences as to the Commissioner may seem reasonable and not inconsistent with the claim of such individual to be resident in British Guiana; or

(b) resides in British Guiana for more than 183 days in the year;

(ii) to a body of persons means any body of persons the control and management of whose business are exercised in British Guiana;

“sporting events” means such activities as are prescribed in the second schedule to this Ordinance;

“sports organisation” means a body of persons established for the purpose of promoting or advancing any sporting event being a body of persons, to a share in the income of which no member of the organisation or person other than another sporting organisation is entitled, and being a body of persons the income of which is applied wholly to the promotion or advancement of sporting events or the provision of facilities or amenities for competitors or participators in or the members of the public who attend sporting events;

Provided that a body of persons shall not cease to be a sports organisation by reason of the fact that a portion of its income is donated to any charitable or educational institution of a public character;

“subsidiary” means a company which is controlled directly or indirectly by another company; without prejudice to the generality of the foregoing a company is deemed to be controlled by another company if and so long as not less than fifty per centum of its ordinary share capital is owned directly or indirectly by that other company;

“tax” means the income tax imposed by this Ordinance;

“the Commonwealth” shall be deemed to include those territories and their dependencies which are set out in the first schedule to this Ordinance;

“turnover” means in the case of a person carrying on a business, trade, profession or vocation, the total receipts in money or money’s worth of the year or of such other accounting period as the Commissioner may allow, from his activities, including all cash and credit sales, commissions and fees receivable, without any deductions for taxes or duties or expenses of whatsoever nature incurred;

“wholetime service director” means a director of a company who is required to devote substantially the whole of his time to the services of such a company in a managerial or technical capacity and is not the beneficial owner of, or able, either directly or through the medium of other companies or by any other means, to control, more than five per centum of the share capital or voting power of such company;

“year of assessment” means the period of twelve months commencing on the 1st January, 1929, and each subsequent period of twelve months.

3. Section 3 of the Principal Ordinance is hereby repealed and the following section substituted therefor —

“Appointment of administrative authority.

3.(1) For the due administration of this Ordinance the Governor may appoint not more than three Commissioners to be styled Commissioners of Inland Revenue and such number of other officers and persons as is necessary and shall furnish the Commissioners with warrants of appointment under his hand:

Provided that where there are more Commissioners than one any act done, duty performed or decision given by one Commissioner shall be binding and have full effect under this Ordinance.

(2) Any functions conferred by this Ordinance on the Commissioner shall be exercised, as may be necessary, by the Deputy Commissioner of Inland Revenue, according as the Commissioner may direct, and reference in this Ordinance to the Commissioner shall be construed accordingly.”

Repeal and re-enactment of section 3 of Chapter 299.

4. Paragraph (b) of section 5 of the Principal Ordinance is hereby repealed and the following paragraph substituted therefor —

“(b) gains or profits from any office or employment, including compensation for the termination of any contract of employment or service, the estimated value of any quarters or board or residence (after allowing in cases in which the quarters, board or residence is not free, for any sum paid or payable by way of rent, contribution or otherwise for such quarters, board or residence) or of any other allowance granted in respect of employment whether in money or otherwise, other than an allowance for medical or dental expenses or for any passage to or from British Guiana:

Provided that the exclusion of an allowance for medical or dental expenses or for any passage to or from British Guiana shall not apply in respect of any director other than a wholetime service director:

Provided further that no income tax shall be payable under this paragraph in respect of a subsistence, travelling, entertainment or expense allowance if it is proved to the satisfaction of the Commissioner that the allowance has not been expended for purposes in respect of which no deduction is allowed under section 14 of this Ordinance;”

Amendment of section 5 of Chapter 299.

5. The Principal Ordinance is hereby amended by the insertion after section 6 of the following section —

Insertion of section 6A in Chapter 299.

"Provisions relating to income for employment, etc.

6A.(1) Notwithstanding anything to the contrary contained in any other provisions of this Ordinance, but subject to the provisions of subsection (2) of this section, any remuneration received in respect of employment or services rendered in a year other than the year in which it is received, shall be deemed to be income in respect of such other year:

Provided that where such remuneration is received in respect of a year which expired earlier than four years prior to the year in which it was received, it shall be deemed to be income of the year which expired five years prior to the year in which it was received.

(2) Where any amount has been received as compensation for the termination of any contract of employment or service and the contract is for a specified term, whether or not provision is made in such contract for the payment of such compensation, such amount shall be deemed to have accrued evenly over the unexpired period of such contract, and where the contract is for an unspecified term, whether or not the contract provides for compensation on the termination thereof, the amount received as compensation shall be deemed to have accrued in the period immediately following such termination at a rate equal to the rate per annum of the gains or profits from such contract immediately prior to such termination:

Provided that where any amount has been received as compensation for the termination of any contract of employment or service in a year more than four years after the year in which the contract of employment or service was terminated, such contract shall be deemed for the purposes of this section to have terminated five years prior to the year in which the amount of compensation was received."

Amendment of section 8 of Chapter 299.

6. Section 8 of the Principal Ordinance is hereby amended by the deletion of the word "Tax" in the first line and by the insertion before the word "shall" of the words "Subject to the provisions of this Ordinance, tax".

Amendment of section 10 of Chapter 299.

7. Section 10 of the Principal Ordinance is hereby amended —
- (a) by the insertion in paragraph (d) of the words "within British Guiana, or elsewhere as may be approved by the Governor," after the words "public character";
 - (b) by the repeal of paragraph (u) and the substitution therefor of the following paragraph —
 - "(u) the emoluments payable to personnel of any Government other than the Government of British Guiana, whether employed directly by the said Government or under contract with any public or private organisation, in British Guiana in connection with a technical co-operation or assistance programme or project where the agreement or conditions relating to such programme or project so provide, but in respect of such personnel of the Government of the United States of America engaged in British Guiana in connection with such programme or project to be carried out under the provisions of the Agreement for Technical Co-operation entered into between the Government of the United Kingdom and the Government of the United States of America on the 13th July, 1951, and applying to British Guiana, the exemption from tax conferred by this paragraph shall be deemed to have come into effect on the 12th July, 1954."

Amendment of section 12 of Chapter 299.

8. Subsection (1) of section 12 of the Principal Ordinance is hereby amended —
- (a) by the substitution for the words "wholly and exclusively" in the third line of the subsection, of the words "wholly, exclusively and necessarily";

(b) by the repeal of paragraph (f) and the substitution therefor of the following paragraph —

“(f) annuities or other annual payments, which subject to the provisions of section 10 of this Ordinance, are chargeable to tax in the hands of the recipients under the provisions of paragraph (d) of section 5 of this Ordinance, whether payable within or without British Guiana, either as a charge on any property of the persons paying them by virtue of any deed or will or otherwise or as a reservation thereout, or as a personal debt or obligation by virtue of a contract, provided that deduction shall not be allowed of any annuity or annual payment which directly or indirectly is, or is part of an arrangement, for any purpose in respect of which no deduction is allowed under the provisions of paragraphs (a), (c), (d), (e), (f), (g), (h), (i) and (j) of section 14 or of any other section of this Ordinance, and provided further that no voluntary allowances or payments of any description be deducted.”

9. Section 14 of the Principal Ordinance is hereby amended by the insertion therein of the following paragraphs — Amendment
of section 14
of Chapter
299.

“(h) any expenditure on entertainment;

- (i) (i) any expenditure on advertising which does not primarily serve the sale of any specific goods or services; and
- (ii) more than seventy-five per centum of advertising expenditure (other than expenditure referred to in subparagraph (i) of this paragraph) where such expenditure is not incurred to promote the sale outside of British Guiana of specific products or the sale of locally manufactured products in British Guiana;
- (j) expenses in excess of the amount which the Commissioner considers reasonable and necessary having regard to the requirements of the trade and business, and in the case of directors' fees or other payments for services to the actual services rendered by the persons concerned.”

10. The Principal Ordinance is hereby amended by the insertion after section 14 of the following section — Insertion of
section 14A
in Chapter
299.

“Minimum chargeable income.

14A. Notwithstanding anything to the contrary contained in this Ordinance any person carrying on a manufacturing, mining or mercantile business shall be liable with respect to any year of assessment, to pay tax on a minimum chargeable income equivalent to two per centum of his turnover in the year preceding the year of assessment:

Provided that —

- (a) the provisions of this section shall not apply to a manufacturing business for the first five years of assessment commencing with the year of assessment in the basis period of which commercial production of such business commenced;
- (b) where such person actually incurs a loss in the year preceding the year of assessment, the loss to be carried forward in accordance with the provisions of section 15 of this Ordinance shall equal the sum of the minimum chargeable income and the loss;
- (c) where such person makes a gain or profit in the year preceding the year of assessment which is less than two per centum of his turnover, the difference may be carried forward in the same manner as if it were a loss.”

11. Section 15 of the Principal Ordinance is hereby repealed and the following section substituted therefor — Repeal and
re-enactment
of section 15
of Chapter
299.

"Losses
carried for-
ward.

15. Where a loss is incurred in the year preceding a year of assessment in any trade, business, profession, or vocation carried on by any person either solely or in partnership or from the letting of property by any person either solely or in partnership, the amount of the loss shall be carried forward and, subject as hereinafter provided, shall be set-off against what would otherwise have been his chargeable income in the year or years following until it is completely recouped:

Provided that —

- (a) the amount of loss allowed to be set-off in computing the chargeable income of any year shall not exceed the amount, if any, of the gains or profits for the year of assessment in respect of the trade, business, profession, vocation or property in respect of which the loss was incurred;
- (b) the amount of loss allowed to be set-off in computing the chargeable income of any year shall not be set-off in computing the chargeable income of any other year;
- (c) in the case of any agricultural business, the set-off shall not 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;
- (d) where the income derived from part of the trade or business of any person has been exempt from Income Tax under the provisions of paragraph (b) of subsection (1) of section 2 of the Income Tax (In Aid of Industry) Ordinance, and the income derived from any other part of his trade or business is not so exempt, the parts of the trade or business shall be deemed to be separate businesses for the purposes of this section.

Cap. 300.

Amendment
of section 16
of Chapter
299.

12. Section 16 of the Principal Ordinance is hereby amended —
- (a) by the deletion of the word "In" at the commencement of the section and the substitution therefor of the words "Subject to the provisions of this Ordinance in"; and
 - (b) by the substitution for the words "nine hundred" of the words "eight hundred".

Amendment
of section 17
of Chapter
299.

13. Section 17 of the Principal Ordinance is hereby amended —
- (a) by the deletion of the word "In" at the commencement of the section and the substitution therefor of the words "Subject to the provisions of this Ordinance in"; and
 - (b) by the substitution for the word "seven" wherever it occurs, of the word "six".

Amendment
of section 18
of Chapter
299.

14. Section 18 of the Principal Ordinance is hereby amended —
- (a) by the repeal of subsection (1) and the substitution therefor of the following subsection —
- "(1) Subject to the provisions of this Ordinance, in ascertaining the chargeable income of any individual who is resident in the Colony in the year preceding the year of assessment and proves to the satisfaction of the Commissioner that he had living, at any time during the year immediately preceding the year of assessment a child who was unmarried throughout that year and who at the commencement of that year was either under the age of sixteen or was receiving full time instruction at any university, college, school or other educational establishment there shall be allowed a deduction of three hundred dollars in respect of each such child:

Provided that:

- (a) no deduction shall be allowed in respect of any child who was entitled in his own right to an income exceeding three hundred dollars in the year preceding the year of assessment;

- (b) in calculating the income of the child for the purposes of paragraph (a) of this proviso no account shall be taken of any income to which the child is entitled as the holder of a scholarship, exhibition, bursary or other educational endowment; and
- (c) where two or more persons would but for the provisions of this paragraph be entitled to deductions under this section in respect of the same child, the deduction shall be apportioned between them in such proportion as they agree, or, in default of agreement, in proportion to the amount or value of their respective contributions towards the child's maintenance and education for the year immediately preceding the year of assessment.”;

- (b) by the deletion of the word “If” at the commencement of subsection (3) and by the substitution therefor of the words “Subject to the provisions of this Ordinance if”.

15. Section 19 of the Principal Ordinance is hereby amended by the deletion of the word “If” at the commencement of the section and by the substitution therefor of the following words “Subject to the provisions of this Ordinance if”.

Amendment of section 19 of Chapter 299.

16. The Principal Ordinance is hereby amended by the insertion after section 19 of the following section —

Insertion of section 19A in Chapter 299.

“Limitation of deductions for children and dependants.

19A. Except with respect to deductions claimed under subsection (1) of section 18 of this Ordinance in respect of any child who at the commencement of the year preceding the year of assessment was under the age twenty-one years the total deductions allowed to any individual for children and dependants under sections 18 and 19 shall not exceed four in number.

17. Subsection (2) of section 20 of the Principal Ordinance is hereby amended —

Amendment of section 20 of Chapter 299.

- (a) by the deletion of the full stop at the end thereof; and
- (b) by the insertion after the word “aforesaid” of the following words “out of such chargeable income before making the deduction specified in this section and in sections 16, 17, 18 and 19 hereof”.

18. The Principal Ordinance is hereby amended by the insertion immediately after section 20 of the following section —

Insertion of section 20A in Chapter 299.

“Resident during part of year.

20A. (1) Where an individual is resident in British Guiana during part of the year preceding the year of assessment, and during some other part of that year is not resident in British Guiana, the deductions allowable under sections 16, 17, 18 and 19 shall be apportioned in the same ratio as the period of residence bears to a full year.

(2) Any apportionment required to be made by subsection (1) of this section shall be made by reference to the number of months (to the nearest month) of residence.”

19. Subsections (4) and (5) of section 22 of the Principal Ordinance are hereby repealed.

Amendment of section 22 of Chapter 299.

20. The Principal Ordinance is hereby amended by the insertion after section 22 of the following sections —

Insertion of sections 22A and 22B in Chapter 299.

“Profits of non-resident shipowner.

22A. (1) Where for any period a person not resident in British Guiana who carried on the business of shipowner produces the certificate mentioned in sub-section (2) of this section, the gains or profits accruing in British Guiana from his business as shipowner for such period before deducting any allowance for wear and tear shall be taken to be a sum bearing the same ratio to the sums receivable in respect of the carriage of passengers, mails, livestock and goods shipped in British Guiana as his total profits for the relevant accounting period shown by that certificate bear to the total sums

receivable by him in respect of the carriage of passengers, mails, livestock and goods.

(2) The certificate shall be one issued by or on behalf of the principal income tax authority of the district or place in which the principal place of business of the shipowner is situate and with regard to which authority the Commissioner is satisfied that it computes and assesses the full profits of the non-resident person from his shipping business on a basis not materially different from that prescribed by this Ordinance and shall certify for the relevant accounting period as regards such business —

- (a) that the shipowner has furnished to the satisfaction of that authority an account of the whole of his business;
- (b) the ratio of the gains or profits or, where there are no profits, of the loss, as computed for the purposes of income tax by that authority according to the income tax law of that place, without making any allowance by way of depreciation, but after deducting interest on any money borrowed and employed in acquiring the gains and profits, to the total sums receivable in respect of the carriage of passengers, mails, livestock or goods; and
- (c) the ratio of the allowance for wear and tear as computed by that authority to the total sums receivable in respect of the carriage of passengers, mails, livestock and goods.

(3) Where at the time of assessment the provisions of subsection (1) of this section cannot for any reason be satisfactorily applied, the gains or profits accruing in British Guiana may be computed on a fair percentage of the full sum receivable on account of the carriage of passengers, mails, livestock and goods shipped in British Guiana:

Provided that where any person has been assessed for any year of assessment by reference to such percentage, he shall be entitled to claim at any time within five years after the end of such year of assessment that his liability to tax for that year of assessment be recomputed on the basis provided by subsection (1) of this section; and where such a claim has been made and certificate has been produced to the satisfaction of the Commissioner, as provided for in subsections (1) and (2) of this section, such repayment of tax shall be made as may be necessary to give effect to this proviso, save that, if the claimant fails to agree with the Commissioner as to the amount of tax to be so recomputed and repaid, the Commissioner shall give him notice of refusal to admit the claim and the provisions of this Ordinance relating to appeals against assessments made by the Commissioner shall apply accordingly with the necessary modifications.

(4) Where the Commissioner decides that the call of a ship belonging to a particular non-resident ship-owner at a port in British Guiana is casual and that further calls by that ship or others in the same ownership are improbable, the provisions of this section shall not apply to the profits of such ship and no tax shall be chargeable thereon.

(5) Gains or profits arising from the business of shipping carried on by a person not resident in British Guiana shall be exempted from the tax provided that the Governor is satisfied that an equivalent exemption from income tax is granted by the country in which such person is resident to persons resident in British Guiana and, if that country is a country other than the United Kingdom, to persons resident in the United Kingdom.

(6) For the purposes of this section a company shall be deemed to be resident in that country in which the central management and control of its business is situate.

(7) In this section the expressions: "shipowner" means an owner or charterer of any ship or ships, and "business of

shipping" means the business carried on by an owner of ships and for the purposes of this definition the expression "owner" includes any charterer.

Profits of non-resident's air transport and cable undertakings.

22B. Where a person not resident in British Guiana carries on the business of air transport or the business of transmission of messages by cable or by any form of wireless apparatus he shall be assessable to tax as if he were a non-resident shipowner and the provisions of section 22A of this Ordinance shall apply *mutatis mutandis* to the computation of the gains or profits of such business, subject to any adjustment as in the opinion of the Commissioner may be just and reasonable."

21. Section 26 of the Principal Ordinance is hereby repealed and the following section substituted therefor —

Repeal and re-enactment of section 26 of Chapter 299.

"Rates of tax.

26. The tax upon the chargeable income of every person other than a company shall be charged at the following rates —

For every dollar of the first	1,200 dollars	06 cents
" " " " " next	1,200	"	12 "
" " " " " "	1,200	"	18 "
" " " " " "	1,200	"	24 "
" " " " " "	1,200	"	30 "
" " " " " "	2,400	"	40 "
" " " " " "	2,400	"	50 "
" " " " " "	2,400	"	60 "
" " " " " remainder of the chargeable income		70 "

22. Section 27 of the Principal Ordinance is hereby amended —

Amendment of section 27 of Chapter 299.

- (a) by the insertion in subsections (1) and (2) for the words "Life Insurance Company" of the words "Mutual Life Insurance Company", and
- (b) by the substitution in subsection (2) for the word "fifteen" in the second line, of the word "twenty-five."

23. Section 33 of the Principal Ordinance is hereby amended by the insertion after subsection (7) of the following subsections —

Amendment of section 33 of Chapter 299.

"(8) Notwithstanding anything to the contrary contained in this Ordinance in the case of a company carrying on business in British Guiana which is a branch establishment, a subsidiary or an associated company of a non-resident company, the gains or profits on which tax is payable shall be deemed to be not less than that proportion of the total consolidated gains or profits of the whole group of associated companies (including both resident and non-resident companies) which the turnover of that company bears to the consolidated turnover of the whole group of associated companies.

(9) Exemption from the provisions of subsection (8) of this section shall be granted, where the resident company proves to the satisfaction of the Commissioner that no significant part of its business transactions (whether in the form of sales, purchases or otherwise) was conducted with or influenced by arrangements entered into by any non-resident associated company of the same group.

(10) Where for any year of assessment it is proved to the satisfaction of the Commissioner that although a significant part of the business of the resident company was transacted with or influenced by arrangements entered into by any non-resident associated company of the same group, the gains or profits of the resident company have not thereby been less than they otherwise would have been the Commissioner may in ascertaining the gains or profits of the resident company for that year of assessment disregard the provisions of subsection (8) of this section.

(11) In the case of companies referred to in subsection (8) of this section which have not been granted exemption

from the provisions of that subsection, the provisions of this Ordinance relating to the delivery of returns and particulars shall extend to the furnishing of particulars of the consolidated companies of which the resident subsidiary company or branch establishment forms a part."

Insertion of section 37A in Chapter 299.

24. The Principal Ordinance is hereby amended by the insertion after section 37 of the following section —

"Power to appoint agent.

37A. (1) The Commissioner may by notice in writing, if he thinks it necessary, declare any person to be the agent of any other person, and the person so declared the agent shall be the agent of such other person for the purposes of this Ordinance, and may be required to pay any tax due from any moneys, including pensions, salary, wages or any other remuneration, which may be held by him for, or due by him to, the person whose agent he has been declared to be, and in default of such payment the tax shall be recoverable from him in the manner provided by this Ordinance for the recovery and enforcement of the payment of tax.

(2) Any person declared by the Commissioner to be the agent of any other person under subsection (1) of this section may appeal against the declaration, and the provisions of sections 56, 56D and 57 of this Ordinance and any regulations or rules made for the purposes of the said sections shall, in so far as they are not inapplicable thereto, apply *mutatis mutandis* to an appeal under this section."

Repeal and re-enactment of section 39 of Chapter 299.

25. Section 39 of the Principal Ordinance is hereby repealed and the following section substituted therefor —

"Deduction and accounting for tax on interest, rents, royalties and other annual payments payable to a non-resident.

39. (1) Where any person pays interest, rent accruing from property situate in British Guiana, royalty, premium, annuity or other annual payment to a person not resident in British Guiana he shall upon paying the interest, rent, royalty, premium, annuity or other annual payment deduct therefrom tax at the rate of twelve cents on every dollar of interest, rent, royalty, premium, annuity or other annual payment payable to a person other than a company, and at the rate of forty-five cents on every dollar of interest, rent, royalty, premium, annuity, or other annual payment payable to a company, and shall forthwith render an account to the Commissioner of the amount so deducted and every such amount shall be a debt from him to the Government of British Guiana and shall be so recoverable:

Provided that this subsection shall not apply to interest paid by any person upon any temporary bank loan or in respect of any trade account.

(2) In the case of a company the account aforesaid shall be rendered by the manager or other principal officer of the company.

(3) Any person who fails or neglects to render an account due under this section shall be guilty of an offence against this Ordinance."

Insertion of section 39A in Chapter 299.

26. The Principal Ordinance is hereby amended by the insertion immediately after the heading "RETURNS AND PARTICULARS OF INCOME" of the following section —

"Returns of claims for allowances to the Commissioner.

39A. Any person whether an employee or the holder of an office or a pensioner to whom any payment is made at any time during the year 1963 or any year thereafter of or on account of any emoluments may, and any such person who is required by the Commissioner so to do shall, within the time specified by the Commissioner, for the purpose of enabling any deductions which may be made under section 66A of this Ordinance to be calculated with reference to the allowances to which such person may be entitled under regulations made under section 83 of this Ordinance, submit to the Commissioner in a form approved by the Commissioner a claim for allowances."

27. Subsection (2) of section 40 of the Principal Ordinance is hereby amended by the substitution for the words "for the purposes of this Ordinance" of the words "for any purpose relating to the administration or enforcement of the provisions of this Ordinance, whether or not the person has been previously assessed or additionally assessed,"

Amendment
of section 40
of Chapter
299.

28. Section 41 of the Principal Ordinance is hereby amended —
- (a) by the substitution for the words "five hundred dollars" in paragraph (a) of subsection (2) of the words "such amount or amounts as may be prescribed;";
- (b) by relettering paragraph (b) of subsection (2) as paragraph (c) and by substituting for the words "that employment." the words "that employment, pension or annuity;";
- (c) by the insertion of the following as paragraphs (b) and (d) —
- "(b) the names and places of residence of every person to whom he paid a pension or annuity during the year immediately preceding except those persons who were not employed by any other person and whose emoluments paid by him did not exceed such amount or amounts as may be prescribed;"
- "(d) the amount of tax deducted or withheld from the emoluments of every person aforesaid.;"
- (d) by the repeal of subsection (3); and
- (e) by the renumbering of subsections (4) and (5) as subsections (3) and (4) respectively.

Amendment
of section 41
of Chapter
299.

29. Section 44 of the Principal Ordinance is hereby amended —
- (a) by renumbering the section as subsection (1); and
- (b) by inserting the following subsection as subsection (2) —
- "(2) Any person who refuses, fails or neglects to keep such records, books and accounts in the manner directed by the Commissioner under subsection (1) of this section shall be guilty of an offence against this Ordinance."

Amendment
of section 44
of Chapter
299.

30. Section 45 of the Principal Ordinance is hereby amended —
- (a) by the renumbering of paragraphs (1) and (2) as paragraphs (2) and (3); and
- (b) by the insertion of the following paragraph as paragraph (1) —
- "(1) the whole of the chargeable income of the partnership shall be assessed in exactly the same manner as if it were a company and the tax so assessed shall be collected from and be recoverable as a debt due by the partnership, but the Commissioner shall issue a certificate to each partner showing the amount of tax collected on his share of the gains or profits of the partnership and such tax shall be treated in the same manner as a set-off of tax deducted from a dividend or share of income as provided for by section 30 of this Ordinance;".

Amendment
of section 45
of Chapter
299.

31. Section 48 of the Principal Ordinance is hereby amended —
- (a) by renumbering subsections (3) and (4) as subsections (4) and (5);
- (b) by the insertion of the following subsection as subsection (3) —
- "(3) Where a person has not delivered a return on or before the due date (including such particulars as are required by subsection (10) of section 33 of this Ordinance) the Commissioner may make a provisional assessment of chargeable income within three months after the prescribed date based on —
- (i) in the case of a person carrying on a trade or business, seven and one-half per centum of the turnover of the year previous to the year preced-

Amendment
of section 48
of Chapter
299.

ing the year of assessment; or where the turnover for that year has not been ascertained, on such reasonable estimate of that turnover as the Commissioner to the best of his judgment may determine,

- (ii) in the case of a person exercising a profession or vocation, such average earnings of the particular profession or vocation as the Commissioner to the best of his knowledge may determine,

but the assessment shall not affect any liability otherwise incurred by the person by reason of his refusal, failure, or neglect to deliver a return, and notwithstanding the provisions of section 56 of this Ordinance it shall not be lawful for any person to dispute such an assessment unless he delivers a true and correct return within the period provided for by subsection (3) of section 56 of this Ordinance within which objections to an assessment shall be made."

Amendment
of section 50
of Chapter
299.

32. Section 50 of the Principal Ordinance is hereby amended —
(a) by the substitution of a colon for the full stop at the end of the section; and
(b) by the insertion of the following as a proviso to the section —

"Provided that where any fraud or any gross or wilful neglect has been committed by or on behalf of any person in connection with or in relation to tax for any year of assessment, an assessment in relation to such year of assessment may be made at any time."

Amendment
of section 53
of Chapter
299.

33. Section 53 of the Principal Ordinance is hereby amended by the insertion between the words "endowment of a public character" and the colon appearing in subsection (3) of the words "within British Guiana, or elsewhere as may be approved by the Governor for the purposes of paragraph (d) of section 10 of this Ordinance".

Amendment
of section 56
of Chapter
299.

34. Section 56 of the Principal Ordinance is hereby amended —
(a) by the substitution in subsection (1) for the words "and the amount of tax payable by him," of the words, "the amount of tax payable by him, the amount of tax withheld or deducted from his emoluments,";
(b) by the insertion of the following subsection as subsection (6) —

"(6) Any person who refuses, fails or neglects to perform any act required by the Commissioner to be done in pursuance of the provisions of subsection (4) of this section, shall be guilty of an offence against this Ordinance."

Amendment
of section 57
of Chapter
299.

35. Section 57 of the Principal Ordinance is hereby amended by the insertion of the following subsection as subsection (12) —

"(12) Any assessment or additional assessment which becomes necessary in order to give effect to a decision on appeal under this section, may be made at any time notwithstanding that the time limited by the provisions of section 50 of this Ordinance for the making of an assessment or additional assessment has expired."

Insertion of
sections 66A
and 66B in
Chapter 299.

36. The Principal Ordinance is hereby amended by the insertion immediately after the heading "COLLECTION AND REPAYMENT OF TAX" of the following sections —

"Deduction
and payment
of emolu-
ments.

66A. (1) Notwithstanding any provision of this Ordinance to the contrary, on the making of any payment on or after the 1st day of January, 1963, to any employee, holder of any office or pensioner of or on account of any emoluments (including, except the Commissioner allows otherwise, any payment made in advance of emoluments or payment on loan to be repaid out of emoluments) arising or

accruing in or derived from or received in British Guiana during the year 1963 or any year thereafter; tax shall, subject to and in accordance with any regulations made under section 83 of this Ordinance, be deducted or withheld by the employer or the person making the payment notwithstanding that when the payment is made no assessment has been made in respect of the emoluments or that the tax on the emoluments is for a year of assessment other than the year during which the payment is made:

Provided that if any question arises whether any emoluments are or are not emoluments in respect of which tax shall be deducted or withheld pursuant to the provisions of this section, such question shall be determined by the Commissioner subject to any provisions as to appeals against such determination as may be provided by the regulations made under section 83 of this Ordinance, and to the provisions of this Ordinance relating to appeals.

(2) The tax deducted or withheld as required by the provisions of subsection (1) of this section shall, subject to and in accordance with any regulations made under section 83 of this Ordinance, be paid to the Commissioner by the employer or the person deducting or withholding the same at such time or times and by such date or dates as may be prescribed and on the payment thereof the Commissioner shall send to the employer or such person a receipt which shall to the extent of the amount referred to therein be a good and sufficient discharge of the liability of the employer or such person for any amount deducted or withheld as required by the provisions of this section.

(3) Subject to the provisions of subsection (10) of this section, where an amount has been deducted or withheld under subsection (1) of this section from the emoluments of any person, it shall, for the purposes of this Ordinance, be deemed to have been received by such person at the time of the deduction or withholding thereof.

(4) If any person shall fail —

(a) to deduct or withhold any amount required to be deducted or withheld by him by subsection (1) of this section, or

(b) to remit or pay to the Commissioner any amount which he is required by subsection (2) of this section to pay to the Commissioner by such date or dates as may be prescribed,

he shall be guilty of an offence against this Ordinance; and in addition to such amount there shall become payable by such person to the Commissioner, unless the Commissioner otherwise directs, a sum of ten per centum of such amount or ten dollars whichever is the greater and the provisions of paragraph (a) of subsection (1) of section 69 of this Ordinance shall apply in relation to such amount and to such additional sum as if the same were tax payable by such person on the date when such amount was required to be deducted, withheld, remitted or paid as the case may be.

(5) All amounts deducted or withheld by any person pursuant to the provisions of subsection (1) of this section shall be deemed to be held in trust by such person for Her Majesty, Her heirs and successors for the use of British Guiana and shall not be subject to attachment in respect of any debt or liability of the said person and in the event of any liquidation, assignment, or bankruptcy the said amounts shall form no part of the estate in liquidation, assignment or bankruptcy but shall be paid in full to the Commissioner before any distribution of the property is made.

(6) Every person who shall have deducted or withheld any tax pursuant to the provisions of subsection (1) of this section, shall deliver personally or send by post within such time or times as may be prescribed to the person from whose emoluments the tax was deducted or withheld or to

such other person as may be prescribed such certificate or statement or account relating to the amount of emoluments and the amount of tax deducted by him as may be prescribed.

(7) If any person shall fail to comply with the provisions of subsection (6) of this section or shall fail to deliver or send to the Commissioner within such time or times as may be prescribed, any return, certificate or account or any copy thereof which he may be required by regulations made under section 83 of this Ordinance to deliver or send to the Commissioner for the purpose of rendering him accountable to the Commissioner for any tax deducted or withheld by him pursuant to the provisions of this section, or to enable the Commissioner to give credit for tax deducted or withheld to the person from whose emoluments the tax was deducted or withheld, he shall be guilty of an offence against this Ordinance and shall be liable on summary conviction to a fine of ten dollars for every day during which such failure shall continue:

Provided that it shall be a good and sufficient defence to any complaint brought under this subsection that any such failure was not due to wilful neglect or default of the defendant or of any person acting on his behalf.

(8) No action shall lie against any person for deducting or withholding any sum of money in compliance or intended compliance with the provisions of subsection (1) of this section.

(9) Where by this Ordinance any obligation is imposed on any person to deduct or withhold any tax pursuant to the provisions of subsection (1) of this section any agreement made by any such person not to deduct or withhold such tax shall be void and of no force or effect whatsoever.

(10) Every person from whose emoluments any amount shall be deducted or withheld pursuant to the provisions of subsection (1) of this section shall upon the amount being so deducted or withheld be deemed to have paid the same and shall thereupon cease to be liable for tax to the extent of the amount so deducted or withheld.

(11) The provisions of this Ordinance requiring a person to deduct or withhold an amount in respect of taxes from emoluments payable to any person shall apply to Her Majesty in relation to British Guiana and to the Government of British Guiana.

(12) Where a trade, business, profession or vocation is carried on by two or more persons jointly, the precedent partner of the partnership as defined in sub-paragraph (a) of paragraph (3) of section 45 of this Ordinance shall be personally liable for the performance of the duties required by the preceding provisions of this section to be performed by the person making the payment or deducting or withholding any amount of tax; and where a trade, business, profession or vocation is carried on by a company, the managing director and the secretary of the company shall each, in addition to the company itself, be personally liable for the performance of the said duties.

Commissioner
to prepare
tax tables.

66B. The Commissioner shall from time to time as occasion may require prepare tax tables, a copy whereof shall be made available to any person required by this Ordinance or any regulations made under section 83 thereof to deduct or withhold tax pursuant to the provisions of subsection (1) of section 66A of this Ordinance, for the purpose of enabling any such person to calculate subject to and in accordance with any regulations made under the said section 83 the amount of any tax to be so deducted or withheld."

Amendment
of section 67
of Chapter
299.

37. Section 67 of the Principal Ordinance is hereby amended —
(a) by substituting in subsection (1) for the words "within thirty days after the service of a notice of assessment under section 56 of this Ordinance.", the words "on or

before the prescribed date or dates, and a different date or dates may be prescribed for different classes of persons.”;

- (b) by renumbering subsection (3) as subsection (4);
- (c) by inserting the following subsection as subsection (3) —
“(3) Nothing contained in subsection (2) of this section or section 70 of this Ordinance shall apply or be construed as applying to any provisions as to appeal referred to in the proviso to subsection (1) of section 66A of this Ordinance which may be contained in any regulations made under section 83 of this Ordinance.”
- (d) by substituting in the renumbered subsection (4) for the words and figures from “the provisions of section 69” to the end of the subsection, the following words “payment thereof may be enforced under the provisions of this Ordinance.”

38. Section 68 of the Principal Ordinance is hereby repealed and the following section substituted therefor —

“Appellant to give security for payment of tax.

68. (1) Notwithstanding anything contained in this Ordinance, where a person appeals to a judge under section 57 of this Ordinance against an assessment made upon him, he shall forthwith give security to the satisfaction of the Registrar of the Supreme Court, for the payment of the tax as assessed, and the security so given shall remain in force until the matter is finally determined.

(2) If the person appealing fails to give security as aforesaid, the notice and the summons referred to in subsections (1) and (2) of section 57 of this Ordinance, shall be of no effect.”

Repeal and re-enactment of section 68 of Chapter 299.

39. Subsection (1) of section 69 of the Principal Ordinance is hereby amended —

- (a) by the substitution for the words and figures “within the period prescribed in subsection (1) of section 67 of this Ordinance” of the words “on or before the prescribed date”; and
- (b) by the repeal of paragraph (a) and the substitution therefor of the following paragraph —

“(a) a sum shall be added thereto calculated at the rate of twelve per centum per annum of the amount of such tax remaining unpaid, and if any amount of such tax is not paid within twelve months after the prescribed date, at the rate of fifteen per centum per annum of the amount of such tax remaining unpaid and the provisions of this Ordinance relating to the collection and recovery of tax shall apply to the collection and recovery of such sum.”

Amendment of section 69 of Chapter 299.

40. The Principal Ordinance is hereby amended by the insertion after section 69A of the following sections —

“Certificates.

69B. (1) Where any payment payable to the Commissioner under section 66A or under any other provision of this Ordinance has not been paid within thirty days after payment thereof became due, the Commissioner may make out a certificate in such form as may be prescribed stating the amount payable and the name, the trade or profession and the usual or last known place of business or abode of the person by whom such amount is payable.

(2) On production thereof to the Registrar of the Supreme Court, a certificate made under this section shall be registered by him in the said Court and when so registered shall have the same force and effect, and all proceedings may be taken thereon, as if the said certificate were a judgment for the Crown obtained in the said Court for a debt of the amount specified in the certificate together with any interest required to be paid by this Ordinance to the day of payment.

(3) Rules of Court may be made under section 75 of the Supreme Court Ordinance providing for the procedure

Insertion of sections 69B and 69C in Chapter 299.

Cap. 7.

to be followed upon the registration of such certificate.

(4) All reasonable costs and charges attendant upon the registration of the certificate shall be recoverable in like manner as if they had been included in such certificate.

Garnishments.

69C. (1) When the Commissioner has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a person liable to make a payment of tax under this Ordinance, he may, by registered letter or by letter served personally, require such first-mentioned person to pay the moneys otherwise payable to such second-mentioned person in whole or in part to him on account of the liability of the second-mentioned person under this Ordinance.

(2) The receipt of the Commissioner for moneys paid as required under this section shall to the extent of the payment be a good and sufficient discharge of the original liability —

- (a) of the person who pays such moneys to the Commissioner to the person liable to make a payment of tax under this Ordinance;
- (b) of the person liable to make a payment of tax under this Ordinance to the Commissioner.

(3) Where the Commissioner, under this section, has required an employer to pay to him on account of the liability under this Ordinance of an employee or pensioner to whom he pays a pension, as the case may be, moneys otherwise payable by the employer to the employee or pensioner as emoluments, the requirement shall be applicable to all future payments by the employer to the employee or pensioner in respect of emoluments until the liability of the employee or pensioner under this Ordinance is satisfied and shall operate to require payments to the Commissioner out of each payment of emoluments due to the employee or pensioner of such amount as may be stipulated by the Commissioner in the registered or other letter.

(4) Every person who has discharged any liability to a person liable to make payment of tax under this Ordinance without complying with a requirement under this section shall be liable to pay to the Commissioner as a debt due to the Crown an amount equal to the liability discharged or the amount which he was required under this section to pay to the Commissioner whichever is the less.

(5) Where the person who is or is about to become indebted or liable carries on business under a name or style other than his own name, the registered or other letter under subsection (1) of this section may be addressed to the name or style under which he carries on business and, in the case of personal service, shall be deemed to have been validly served if it has been left with an adult person employed at the place of business of the addressee.

(6) Where the persons who are or are about to become indebted or liable carry on business in partnership, the registered or other letter under subsection (1) of this section may be addressed to the partnership name and, in the case of personal service, shall be deemed to have been validly served if it has been served on one of the partners or left with an adult person employed at the place of the partnership."

Amendment
of section
of Chapter
299.

41. Section 70 of the Principal Ordinance is hereby amended by the substitution for the words "the provisions of the last preceding section shall apply." of the words "payment thereof may be enforced under the provisions of this Ordinance."

Amendment
of section
of Chapter
299.

42. Section 71 of the Principal Ordinance is hereby amended by the substitution for the words and figures "in section 69 of this Ordinance" of the words "in any other provisions of this Ordinance relating to the collection, recovery and enforcement of the payment of tax."

43. The Principal Ordinance is hereby amended by the insertion after section 73 of the following section —

“Refund of excess tax collected under section 66A.”

73A. Notwithstanding anything to the contrary contained in section 73 of this Ordinance, where, after assessment has been made in accordance with the provisions of this Ordinance, any amount collected as required by the provisions of section 66A of this Ordinance is found to be in excess of the amount of tax shown to be payable in an assessment, the excess shall be refunded as soon as practicable thereafter to the person from whose emoluments the tax was deducted or withheld.”

Insertion of section 73A in Chapter 299.

44. Section 77 of the Principal Ordinance is hereby amended by the insertion after subsection (2) of the following subsection as subsection (3) —

Amendment of section 77 of Chapter 299.

“(3) For the purposes of this section a false statement or false representation must be presumed to have been knowingly made —

- (a) whenever it reveals a degree of negligence on behalf of the person making it which is inconsistent with his obligation under the provisions of this Ordinance to make a true and correct return, account, statement, representation or declaration, or true and correct particulars; or
- (b) whenever a person fails to notify the Commissioner without unreasonable delay of any error or omission in any return, statement, declaration or representation, account or particulars furnished, delivered, made, kept or prepared, as the case may be, by him.”

45. Section 83 of the Principal Ordinance is hereby repealed and the following section substituted therefor —

“Regulations.”

83. (1) The Governor may from time to time make regulations generally for carrying out the provisions of this Ordinance and may in particular by those regulations provide for —

Repeal and re-enactment of section 83 of Chapter 299.

- (a) the form of returns, claims, statements, and notices under this Ordinance;
- (b) the method of calculating or estimating in general cases as well as in any particular trade, business, profession or vocation any deduction to be allowed under section 13 of this Ordinance;
- (c) the collection, recovery, and refund of tax;
- (d) the payment of tax by instalments;
- (e) requiring any person, including Her Majesty in respect of British Guiana and the Government of British Guiana making any payment of, or on account of any emoluments at the time of making the payment to make a deduction of tax, calculated by reference to tax tables prepared by the Commissioner, under section 66B of this Ordinance and for rendering persons who are required to make any such deduction accountable to the Commissioner;
- (f) prescribing the method of determining the appropriate code for the purpose of deducting or withholding tax under section 66A of this Ordinance;
- (g) the production to and inspection by the Commissioner or any person authorised by him of wages sheets and other documents and records for the purpose of satisfying the Commissioner that tax has been and is being deducted, or withheld and accounted for in accordance with the regulations;
- (h) appeals with respect to matters arising under the regulations which would not otherwise be the subject of appeal;

- (i) regulating the times when, the dates on which or the period within which claims may be submitted under section 39A of this Ordinance;
 - (j) regulating the manner in which amounts of excess of tax are refunded under section 73A of this Ordinance.
- (2) Any regulations made under the provisions of this section shall not affect any right of appeal to a judge in chambers which a person would have apart from such regulations.
- (3) If anyone fails to observe or contravenes the provisions of any regulation made under this Ordinance, he shall be guilty of an offence against this Ordinance."

OBJECTS AND REASONS

This Bill seeks to provide for certain changes in the income tax rates and allowances; for the introduction of the system of "PAY AS YOU EARN" in relation to income tax; and also for a number of other amendments to the Income Tax Ordinance which are considered necessary.

2. Clause 2 seeks to provide a new interpretation section of the Ordinance.

3. Clause 3 seeks to provide that the Commissioner of Inland Revenue may delegate any of his functions under the Ordinance. This provision is considered necessary in view of the expansion of the Inland Revenue Department.

4. Clause 4 seeks to provide that compensation received for the termination of any contract of employment or service shall be chargeable income. The clause also seeks to make provision preventing the avoidance of tax by the payment of medical or dental expenses or any passages to directors other than wholtime service directors and of expense allowances which are not in fact spent in the production of chargeable income.

5. Clause 5 seeks to provide that arrears of pay shall normally be regarded as income of the year to which those arrears relate. Where that year would be outside the time of assessment, the arrears should be considered to be the income of the year just within the time of assessment. Clause 5 also seeks to provide that compensation received for the termination of any contract should not be the income of the year of receipt but should be spread over the unexpired term of the contract where the contract is for a specified term. Where the contract is not for a specified term the income should be carried forward at the average annual rate of income under the contract.

6. Clause 6 seeks to vary the present provisions of section 8 so as to facilitate the collection of tax in the year of income chargeable in the year of assessment following.

7. Clause 7 seeks to amend section 10 of the Ordinance so as to restrict the exemption from income tax to ecclesiastical, charitable or educational institutions or endowments of a public character within British Guiana or otherwise as may be approved by the Governor. The clause also seeks to provide for exemption from income tax of the emoluments of personnel engaged on any technical co-operation or assistance programme or project in British Guiana where the agreement or conditions governing the programme or project so provide.

8. Clause 8 seeks to provide that expenses will be deductible if they are not only wholly and exclusively but also necessarily incurred in the production of the income and to make it clear that no deduction shall be allowed of any annuity or annual payment which directly or indirectly is, or is part of an arrangement for domestic or private expenses, or for capital purposes and other deductions prohibited by paragraphs (a) and (c) to (j) inclusive of section 14 of the Income Tax Ordinance.

9. Clause 9 seeks to provide that certain expenditure or excessive expenditure shall not be allowable deductions in the ascertainment of chargeable income.

10. Clause 10 seeks to provide for a minimum tax to be payable by any person carrying on a manufacturing, mining or mercantile business.

11. Clause 11 seeks to remove the right to set-off losses from any trade, business, profession, vocation or the letting of property against income from other sources; to provide for the carry forward of such losses to be set-off against income from the same business, in future years; to prevent losses from a tax holiday part of a business being set-off against profits from a non-tax holiday part of the business. Except in the case of agriculture, it seeks to remove the present limitation of the set-off which prevents a reduction of tax to less than one-half.

12. Clause 12 seeks to reduce the personal allowance from \$900 to \$800.

13. Clause 13 seeks to reduce the allowance for a wife from \$700 to \$600.

14. Clause 14 seeks to make it clear that the child be unmarried throughout the year and to replace the three tier allowance now being given by a single allowance of \$300.

15. Clause 15 seeks to make an amendment consequential upon clause 16.

16. Clause 16 seeks to limit deductions for children (other than minor children of the parents) and dependants to *four* in number.

17. Clause 17 seeks to make it clear that premiums paid for insurance against sickness must be paid out of income subject to the tax in British Guiana.

18. Clause 18 seeks to provide where a person is not resident for a full year that the personal, wife, children and dependant relative allowances shall be proportionate to his period of residence in the relevant year.

19. It is considered that provision should be made to enable the profits of non-resident ship-owners outside the Commonwealth to be determined. Clauses 19 and 20 seek to provide accordingly. Provision is also made in clause 20 for the profits of a non-resident's air transport and cable undertakings to be determined.

20. Clause 21 seeks to increase the rates of tax payable by individuals.

21. Clause 22 seeks to increase the rate of tax payable by Life Assurance Companies.

22. It is considered that where a resident company is associated with non-resident companies so that the non-resident associates are able to influence the amount of profits arising in British Guiana, that the profits in British Guiana should be deemed to be not less than the ratio of total profits of the group which local turnover bears to total turnover of all the associated companies. Clause 23 seeks to provide for this.

23. Clause 24 seeks to provide for the easier levy and collection of tax by empowering the Commissioner to declare a person to be the agent of another for the purposes of the Ordinance and to require him to pay the tax out of money held for that other person and for rights of objection and appeal against such declaration.

24. Clause 25 seeks to provide for the deduction of tax from any interest, rent, royalty, annuity or annual payment payable to a non-resident person. This is intended to improve the collection of tax on the income of non-residents chargeable to income tax under the Income Tax Ordinance.

25. Clause 26 seeks to provide for the submission of claims for allowances to the Commissioner. This is intended to facilitate the determination of the deductions to which a person would be entitled so that the appropriate amount of tax to be deducted from his emoluments under the P.A.Y.E. system may be determined.

26. Clause 27 seeks to provide that the Commissioner may require particulars from any person for any purpose related to the administration or enforcement of the Ordinance whether or not that person has been previously assessed.

27. Clause 28 seeks to provide that the return to be furnished by employers should contain in addition to particulars of his employees particulars of pensioners paid by him, and particulars of tax deducted or withheld from their emoluments.

28. Clause 29 seeks to provide a sanction for a failure to comply with any requirement of the Commissioner under section 44 of the Ordinance.

29. Clause 30 seeks to provide that a partnership shall in the first instance be assessable as if it were a company but that the tax payable by the partnership shall be set-off against the tax liability of the individual partners.

30. Clause 31 seeks to provide for the provisional assessment of a minimum chargeable income where any person fails to deliver a return or to furnish particulars on or before the prescribed date.

31. Clause 32 seeks to provide that where any fraud or any gross or wilful neglect has been committed in relation to tax for any year of assessment the time limit imposed within which assessment must be made shall not apply to any assessment in relation to that year of assessment.

32. Clause 33 seeks to restrict the allowance of annuities and other annual payments under covenant to ecclesiastical, charitable or educational institutions or endowments of a public character within British Guiana or otherwise as may be approved by the Governor.

33. Clause 34 seeks to provide a sanction for a failure to comply with any requirement of the Commissioner under subsection (4) of section 56 of the Ordinance.

34. Clause 35 seeks to provide that the time limit within which assessments must be made under section 50 of the Income Tax Ordinance shall not apply where it is necessary to make an assessment or additional assessment to give effect to a decision on appeal under section 57 of the Ordinance.

35. Clause 36 seeks to provide for the deduction or withholding of income tax from any payment of emoluments made on or after the 1st January, 1963, to any employee, holder of an office or pensioner. Provision is also made for the Commissioner of Inland Revenue to prepare tax tables for the purposes of the P.A.Y.E. system.

36. Clause 37 seeks to provide that tax shall be payable on or before prescribed dates and that different dates may be prescribed for different classes of persons.

37. Clause 38 seeks to provide that a person appealing against an assessment made by the Commissioner shall be required to give security for the payment of the amount of tax assessed.

38. Clause 39 seeks to substitute for the five per centum penalty now payable on the late payment of tax, an interest charge at the rate of twelve per centum per annum for the first twelve months and fifteen per centum for any period thereafter.

39. Clause 40 seeks to make provision for alternative and speedier methods of enforcement of the payment of tax.

40. Clauses 41 and 42 seek to make amendments consequential upon the proposed alternative methods of enforcement of the payment of tax.

41. Clause 43 seeks to provide for the refund of excess tax deducted or withheld from emoluments.

42. Clause 44 seeks to provide for the presumption of culpable knowledge in certain circumstances.

CHARLES JACOB, Jr.
Minister of Finance.

30th April, 1962.
(M.P. IT 12/1957).
(Leg. Bill 11/1962).