

BILL No. 46 OF 1957.

INCOME TAX (AMENDMENT) BILL, 1957.

Arrangement of Sections.

Section

- 1. Short title.
- 2. Amendment of section 10 of Chapter 299.
- 3. Amendment of section 16 of Chapter 299.
- 4. Amendment of section 17 of Chapter 299.
- 5. Amendment of section 18 of Chapter 299.
- 6. Amendment of section 19 of Chapter 299.
- 7. Amendment of section 53 of Chapter 299.
- 8. Amendment of section 55 of Chapter 299.
- 9. Amendment of first schedule to Chapter 299.
- 10. Commencement.

A BILL

Intituled

AN ORDINANCE TO AMEND THE INCOME TAX ORDINANCE.

Enacted by the Legislature of British Guiana:—

- 1. This Ordinance may be cited as the Income Tax (Amendment) Ordinance 1957, and shall be construed and read with the Income Tax Ordinance, hereinafter referred to as the Principal Ordinance and any Ordinance amending the same. Short title.  
Cap. 299.
- 2. Section 10 of the Principal Ordinance, as amended from time to time, is hereby further amended by the addition thereto after paragraph (v) of the following— Amendment of section 10 of Chapter 299.
  - “(w) the income of any medical clinic or hospital carried on otherwise than for the purpose of profit or gain by the British Guiana Mission of Seventh-Day Adventists.”
- 3. Section 16 of the Principal Ordinance is hereby amended by the substitution for the words “one thousand” of the words “nine hundred”. Amendment of section 16 of Chapter 299.
- 4. Section 17 of the Principal Ordinance is hereby amended by the substitution for the words “five hundred” wherever they occur of the words “seven hundred”. Amendment of section 17 of Chapter 299.
- 5. Subsection (1) of section 18 of the Principal Ordinance is hereby amended by the substitution for the words “two hundred and fifty dollars in respect of each such child” in subsection (1) and for the proviso to the said subsection of the following— Amendment of section 18 of Chapter 299.
  - “(a) two hundred and fifty dollars in respect of each such child who at the commencement of the year immediately preceding the year of assessment was under the age of twelve years;
  - (b) three hundred and fifty dollars in respect of each such child who at the commencement of the year immediately preceding the year of assessment was under the age of sixteen years but not under the age of twelve years; and
  - (c) five hundred dollars in respect of each such child who at the commencement of the year immediately preceding the year of assessment was not under the age of sixteen years;

Provided that—

- (i) no deduction shall be allowed under paragraphs (a), (b) or (c) of this subsection in respect of any child

who was entitled in his own right to an income exceeding, in the case of paragraph (a) two hundred and fifty dollars, in the case of paragraph (b) three hundred and fifty dollars, and in the case of paragraph (c) five hundred dollars, in the year immediately preceding the year of assessment;

- (ii) in calculating the income of the child for the purposes of paragraph (i) of this proviso no account shall be taken of any income to which the child was entitled as the holder of a scholarship, exhibition, bursary, or other educational endowment; and
- (iii) 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 to be made under this section 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."

Amendment  
of section  
19 of Chapter  
299.

6. Subsection (1) of section 19 of the Principal Ordinance is hereby amended—

- (a) by the substitution for the words "two hundred and forty dollars" of the words "three hundred dollars";  
**and**
- (b) by the substitution for the words "one hundred and fifty dollars" of the words "two hundred dollars".

Amendment  
of section  
53 of Chapter  
299.

7. (1) Section 53 of the Principal Ordinance is hereby amended by the substitution for subsection (3) of the following—

"(3) Notwithstanding anything to the contrary in this Ordinance where any person has, directly or indirectly, at any time before the end of the year immediately preceding the year of assessment, whether before or after the coming into effect of this subsection, transferred, assigned or otherwise disposed of to any person otherwise than for valuable and sufficient consideration the right to income that would if the right thereto had not been so transferred, assigned or otherwise disposed of be included in ascertaining his chargeable income for the year immediately preceding the year of assessment, because the income transferred, assigned or otherwise disposed of would have been received or receivable by him in or in respect of that year, such income shall be included in ascertaining his chargeable income, and not the chargeable income of any other person, for that year, unless the income is from property and he has also transferred, assigned or otherwise disposed of such property to that person, or unless the income has been transferred, assigned or otherwise disposed of for a period exceeding 3 years or for the remainder of his life to or for the benefit of any ecclesiastical, charitable or educational institution, organisation or endowment of a public character:

Provided that nothing in this subsection shall apply to income the right to which has been transferred, assigned or otherwise disposed of to or for the benefit of any ecclesiastical, charitable or educational institution, organisation or endowment of a public character before the 1st January, 1958."

(2) Subsection (1) of this section shall come into operation with respect to and from the year of assessment 1959.

Amendment  
of section  
55 of Chapter  
299.

8. Section 55 of the Principal Ordinance is hereby amended by the insertion after the words "those persons" in subsection (1) of the words "to whom such appointment relates".

Amendment  
of the first  
schedule to  
Chapter 299.  
No. 22 of  
1956.

9. The first schedule to the Principal Ordinance as inserted by section 21 of the Income Tax (Amendment) Ordinance, 1956, is hereby amended by the deletion of the words "Anglo-Egyptian Sudan".

Commence-  
ment.

10. Save as is otherwise provided by section 7 of this Ordinance, this Ordinance shall come into operation with respect to and from the year of assessment 1958.

## OBJECTS AND REASONS

Clause 2 of the Bill seeks to exempt from the payment of taxes the income of any non-profit making medical clinic or hospital carried on by the British Guiana Mission of Seventh-Day Adventists.

2. Clause 3 seeks to reduce the allowance for a single person from \$1,000 to \$900.

3. Clause 4 seeks to increase the allowance for a wife from \$500 to \$700.

4. The existing allowance for children is \$250 for each child. Clause 5 seeks to increase this allowance to \$350 in respect of children between 12 and 16 years of age and to \$500 in respect of children 16 years of age and over. Clause 5 also seeks to provide for the apportionment of this allowance between parents who provide separately for the maintenance or education of the child.

5. Clause 6 seeks to increase the allowance for dependant relatives from \$150 to \$200 and to raise the qualifying limit on dependant relatives' income from \$240 to \$300.

6. Section 53 (3) of the Principal Ordinance provides that where the right to income from property is transferred to a relative without the property being also transferred that income shall nevertheless be deemed to be the income of the transferor. Subclause (1) of clause 7 seeks to extend this provision to any transfer of income made otherwise than for adequate consideration and to declare that amounts so transferred shall be included in ascertaining the transferor's chargeable income unless the income has been transferred to an ecclesiastical, charitable or educational institution, organisation or endowment of a public character for a period exceeding 3 years or for the remainder of his life. Subclause (1) also provides that nothing in the clause shall affect dispositions of income to ecclesiastical, charitable, or educational institutions, organisations or endowments of a public character made before 1st January, 1958. Subclause (2) of clause 7 seeks to declare that the provisions of subclause (1) shall come into operation from the year of assessment 1959.

7. Clause 8 seeks to authorise the appointment of an agent in the United Kingdom with power to deal with a limited class of persons on behalf of the Commissioner.

8. Clause 9 seeks to exclude the Anglo-Egyptian Sudan from the list of territories included in the definition of "the Commonwealth" in the Principal Ordinance.

F. W. ESSEX,  
Financial Secretary.

(IT. 2/53 II).

(Leg. Bill No. 46/1957).

