

GUYANA

BILL No. 25 of 2018

CORPORATION TAX (AMENDMENT) BILL 2018

ARRANGEMENT OF SECTIONS

Section

1. Short title and commencement.
2. Amendment of section 2 of the Principal Act.
3. Amendment of section 10 of the Principal Act.

A BILL
Intituled

AN ACT to amend the Corporation Tax Act.

A.D. 2018 Enacted by the Parliament of Guyana:-

Short title and
commencement.
Cap 81:03

1. This Act, which amends the Corporation Tax Act, may be cited as the Corporation Tax (Amendment) Act 2018 and shall come into operation with respect to and from the year of income commencing on the 1st January, 2019.

Amendment of
section 2 of the
Principal Act.

2. Section 2 of the Principal Act is amended by the insertion immediately after the definition of “resident company” of the following definition –

“No. 2 “small business” has the same meaning assigned to it in section
of 2004 2 of the Small Business Act 2004;”.

Amendment of
section 10 of the
Principal Act.

3. Section 10 of the Principal Act is amended as follows –

(a) in subsection (1) –

(i) in paragraph (b), by the deletion of the word “and”;

(ii) in paragraph (c), by the substitution for the words “twenty-seven and one half per cent”, of the words “twenty-five percent”, and by the substitution for the full-stop, of a semi-colon; and

(iii) by the insertion immediately after paragraph (c), of the following paragraph –

“(d) for small businesses engaged in manufacturing and construction services and registered with the Small Business Bureau, tax shall be charged

at the rate of twenty-five per cent.”; and

(b) in subsection (2)(b), by substitution for the words “twenty-seven and one half per cent”, of the words “twenty-five percent”.

Explanatory Memorandum

Clause 2 of the Bill amends section 2 of the Corporation Tax Act to insert the definition of “small business” which is the same definition given to that term in the Small Business Act.

Clause 3 amends section 10 of the Act to reduce the corporation tax rate for companies other than a telephone company and a commercial company from twenty-seven and one half per cent to twenty-five percent, and provides for a tax rate of twenty-five percent for small businesses. For companies engaged in commercial and non-commercial activities, it reduces the corporation tax rate for the non-commercial activity of the company from twenty-seven and one half percent to twenty-five percent.

Hon. Winston Jordan, M.P.
Minister of Finance