

PUBLISHED 19TH SEPTEMBER, 1964.

Bill No. 21 of 1964 (L. A.)

LEGISLATURE,
Public Buildings,
Georgetown.
15th September, 1964.

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

E. V. VIAPREE,
Acting Clerk of the Legislature.

BILL No. 21 of 1964 (L.A.)
INCOME TAX (AMENDMENT) BILL, 1964

Arrangement of Sections

Section

1. Short title and commencement.
2. Repeal of section 14A of Chapter 299.
3. Amendment of section 15 of Chapter 299.
4. Savings.

A BILL

Intituled

AN ORDINANCE to amend the Income Tax Ordinance.

Enacted by the Legislature of British Guiana :—

A.D. 1964.

1. (1) This Ordinance may be cited as the Income Tax (Amendment) Ordinance, 1964, and shall be construed and read as one with the Income Tax Ordinance, hereinafter referred to as the Principal Ordinance, and any Ordinance amending the same. Short title and commencement. Cap. 299.

(2) This Ordinance shall be deemed to have come into operation with respect to and from the year of assessment commencing on the 1st January, 1964.

2. Section 14A of the Principal Ordinance is hereby repealed.

Repeal of section 14A of Chapter 299.

3. Paragraph (c) of the proviso to section 15 of the Principal Ordinance is hereby repealed and the following paragraph substituted therefor — Amendment of section 15 of Chapter 299.

“(c) in no case shall the set-off 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”.

4. Notwithstanding the repeal of section 14A of the Principal Ordinance, where — Savings.

(a) in respect of the years of assessment 1962 and 1963, tax was paid on a minimum chargeable income equivalent to two per centum of the turnover of his business by a person carrying on a manufacturing, mining or mercantile business, then notwithstanding that he had incurred a loss or made no net profit, the two per centum of the turnover of that business shall be treated as a loss to be set off against his chargeable income in accordance with section 15 of the Principal Ordinance, as amended by this Ordinance;

(b) in respect of the years of assessment 1962 and 1963, where tax was paid on a minimum chargeable income equivalent to two per centum of the turnover of his business by a person carrying on a manufacturing, mining or mercantile business, then notwithstanding that he made a net profit of less than two per centum of the turnover, the difference between two per centum of the turnover and the actual net profit made shall be treated as a loss to be set off against his chargeable income in accordance with section 15 of the Principal Ordinance, as amended by this Ordinance.

OBJECTS AND REASONS

Section 14A of the Income Tax Ordinance was enacted by section 5 of the Income Tax (Amendment) Ordinance, 1962, to provide for a minimum income tax to be paid by any person carrying on a manufac-

turing, mining or mercantile business. The tax is payable on a minimum chargeable income equivalent to two per centum of the turnover of that person's business in the year preceding the year of assessment. In the Budget Speech for 1964, it was announced that the minimum income tax on two per centum of the turnover of manufacturing, mining and mercantile business would be withdrawn. Clause 2 of this Bill therefore seeks to provide accordingly.

2. Clause 3 of this Bill seeks to provide for a consequential amendment to section 15 of the Ordinance in order to re-introduce the previous restriction of the set-off of previous years' losses to the extent of one-half of the amount which would have been payable had the set-off not been allowed.

CHARLES JACOB, JR.,
Minister of Finance.

(M.P. G. 5/C 1961).
(Bill 21/1964 (L.A.)).