

PARLIAMENT OFFICE,  
Public Buildings,  
Georgetown,  
Guyana,

15th October, 1980.

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

*F. A. Narain,*  
Clerk of the National Assembly.



## **GUYANA**

BILL NO. 18 OF 1980

INCOME TAX (AMENDMENT) BILL 1980

### ARRANGEMENT OF SECTIONS

Section

1. Short title and commencement.
2. Amendment of section 2 of the Principal Act.
3. Amendment of section 5 of the Principal Act.

4. Amendment of section 13 of the Principal Act.
5. Amendment of section 20 of the Principal Act.
6. Amendment of section 21 of the Principal Act.
7. Insertion of section 21A in the Principal Act.
8. Amendment of section 22 of the Principal Act.
9. Amendment of section 23 of the Principal Act.
10. Amendment of section 25A of the Principal Act.
11. Amendment of section 26 of the Principal Act.
12. Amendment of section 27 of the Principal Act.
13. Insertion of section 34A in the Principal Act.
14. Amendment of section 60 of the Principal Act.
15. Amendment of section 100 of the Principal Act.

## A BILL

### Intituled

AN ACT to amend the Income Tax Act.

A.D. 1980. Enacted by the Parliament of Guyana:—

Short title  
and com-  
mencement  
Cap. 81:01

1. This Act, which amends the Income Tax Act, may be cited as the Income Tax (Amendment) Act 1980.

(2) Sections 2 to 15 (inclusive) but excluding sections 3 and 4 shall come into operation with respect to and from the year of assessment commencing on 1st January, 1981.

(3) Section 3 shall come into operation with respect to and from the year of assessment commencing on 1st January, 1980.

(4) Section 4 shall come into operation with respect to and from the year of assessment commencing on 1st January, 1978.

Amendment  
of section  
2 of the  
Principal  
Act.

2. Section 2(1) of the Principal Act is hereby amended in the following respects —

- (a) by the insertion in the definition of “earned income” of the words “or reputed wife” after the word “wife” wherever it occurs and of the words “or reputed husband” after the word “husband” wherever it occurs; and
- (b) by the insertion in the definition of “pension” of the words “or reputed husband” after the word “husband” and of the words “or reputed wife” after the word “wife”.

3 Section 5 of the Principal Act is hereby amended by the insertion of the following proviso immediately after proviso (iii) to paragraph (b) —

Amendment  
of section  
5 of the  
Principal  
Act.

“(iv) no income tax shall be payable on any medical discharge or severance pay benefits or on any station allowance;”

4. Section 13 of the Principal Act is hereby amended by the substitution of a semicolon for the colon at the end of paragraph (x) and by the insertion thereafter of the following paragraph —

Amendment  
of section  
13 of the  
Principal  
Act.

“(y) any emoluments payable under any incentive scheme approved by the Minister.”.

5. Section 20 of the Principal Act is hereby amended by the substitution in paragraph (a) of the words “one thousand two hundred and fifty” for the words “one thousand” and by the substitution in paragraph (b) of the words “21, 21A as inserted by the Income Tax (Amendment) Act 1980, 22, 23, 25, 25A, 25B and 26” for the words “21, 22, 23, 25 and 26”.

Amendment  
of section  
20 of the  
Principal  
Act.

6. Section 21 of the Principal Act is hereby amended in the following respects —

Amendment  
of section  
21 of the  
Principal  
Act

- (a) by the substitution of the words “one thousand two hundred and fifty” for the words “one thousand” wherever they occur; and
- (b) by the substitution of the word “five” for the word “four” in paragraph (d).

7. The Principal Act is hereby amended by the insertion of the following section immediately after section 21 —

Insertion  
of section  
21A in the  
Principal  
Act.

“Deductions for reputed wife or reputed husband.

21A. Subject to this Act, in ascertaining the chargeable income of an individual who is resident in Guyana in the year preceding the year of assessment and who proves to the satisfaction of the Commissioner that during the year immediately preceding the year of assessment —

- (a) he had a reputed wife living with and maintained by him, there shall be allowed a deduction of one thousand two hundred and fifty dollars;
- (b) He had a reputed wife living with him who at any time during the year preceding the year of assessment earned income from employment,

there shall be allowed a deduction of the amount of income so earned but not exceeding in any case five hundred dollars;

- (c) in the case of a woman, she had a reputed husband living with and maintained by her, and who was incapacitated by old age or infirmity, there shall be allowed a deduction of one thousand and two hundred and fifty dollars:

Provided that no deduction shall be allowed under paragraphs (a) and (c) unless the claimant and the reputed wife or husband have been living together for a period of at least one year prior to the commencement of the year preceding the year of assessment, and no other individual is entitled to a deduction in respect of such a person under any other provisions of this Act.”.

Amendment  
of section  
22 of the  
Principal  
Act

8. Section 22 of the Principal Act is hereby amended in the following respects —

- (a) by the substitution of the word “five” for the word “four” in subsection (1);
- (b) by the substitution of the following paragraph for paragraph (a) of the proviso to subsection (1) —
- “(a) where any child was entitled in his own right to an income exceeding five hundred dollars in the year preceding the year of assessment, the deduction aforesaid shall be reduced by the excess of the child’s income over five hundred dollars;”
- (c) by the substitution of the following subsection for subsection (2) —
- “(2) the expression “child” in subsection (1) includes a step-child but does not include an illegitimate child, but the deduction aforesaid shall be allowed in ascertaining the chargeable income of the mother of an illegitimate child or of the husband of the mother where she is married and living with her husband, or of a claimant who acknowledges paternity of an illegitimate child and proves to the satisfaction of the Commissioner that he has in fact maintained the said child and

that no other individual is entitled to the deduction or if entitled has relinquished his claim thereto:

Provided that where a deduction is granted to the putative father in respect of a child under the provisions of section 16(f) no deduction shall be granted under this subsection."

9. Section 23(1) and (3) of the Principal Act are hereby amended in the following respects —

Amendment  
of section 23  
of the  
Principal  
Act.

(a) subsection (1) —

- (i) by the insertion of the words "or reputed wife" after the word "wife" and of the words "or reputed wife's" after the word "wife's";
- (ii) by the deletion of the words "and being a person whose total income from all sources did not exceed four hundred dollars a year,";
- (iii) by the insertion of the words "and seventy five" after the words "three hundred";
- (iv) by the substitution of a colon for the full stop at the end of the subsection and the insertion of the following proviso thereto —

"Provided that where the relative has total income from all sources exceeding five hundred dollars in the year preceding the year of assessment the deduction aforesaid shall be reduced by the excess of the relative's income over five hundred dollars.";

(b) subsection (3) —

by the insertion of the words "or reputed husband" after the word "husband" and of the words "or reputed wife" after the word "wife".

10. Section 25A of the Principal Act is hereby amended by the insertion of the words "or reputed wife" after the words "his wife".

Amendment  
of section  
25A of the  
Principal  
Act.

11. Section 26 of the Principal Act is hereby amended by the insertion of the words "or his reputed wife" after the words "his wife" wherever those words occur and by the insertion of

Amendment  
of section  
26 of the  
Principal  
Act.

the words "21A as inserted by the Income Tax (Amendment) Act 1980," after the words "21," wherever those words occur.

Amendment  
of section  
27 of the  
Principal  
Act.

12. Section 27 of the Principal Act is hereby amended by the insertion in subsection (1) of the words "21A as inserted by the Income Tax (Amendment) Act 1980", after the words "21,".

Insertion  
of section  
34A in the  
Principal  
Act.

13. The Principal Act is hereby amended by the insertion of the following section immediately after section 34 —

"Reputed  
wife's in-  
come.

34A. Section 34 shall *mutatis mutandis* apply in the case of a reputed wife living with her reputed husband."

Amendment  
of section  
60 of the  
Principal  
Act.

14. Section 60(1) of the Principal Act is hereby amended by the substitution of the words "one thousand two hundred and fifty" for the words "one thousand".

Amendment  
of section  
100 of the  
Principal  
Act.

15. Section 100(8) of the Principal Act is hereby amended in the following respects —

- (a) by the insertion in paragraph (i) of the words "or reputed wife" after the word "wife"; and
- (b) by the insertion in paragraph (j) of the words "or an unmarried woman being a reputed wife" after the words "married woman" and of the words "or reputed husband" after the word "husband".

### EXPLANATORY MEMORANDUM

Clause 2 of the Bill seeks to amend section 2 of the Act to include in the definitions of "earned income" and "pension" the earned income and pension respectively of a reputed wife or reputed husband.

Clause 3 seeks to amend section 5 to provide that no tax shall be payable on certain benefits received by employees.

Clause 4 seeks to amend section 13 to provide for income tax exemption in respect of emoluments payable under incentive schemes approved by the Minister.

Clauses 5 and 6 seek to amend sections 20 and 21 respectively to increase by twenty-five per cent each of the personal reliefs to one thousand two hundred and fifty dollars or five hundred dollars, as the case may be.

Clause 5 also makes a consequential amendment to section 20 arising out of the insertion by clause 7 of section 21A in the Act. It provides that the five per cent deduction under section 20 shall be effected before making the deduction allowed to an individual under section 21A also.

Clause 7 seeks to amend the Act by inserting a new section 21A equating a reputed wife to a wife and providing the conditions under which a reputed husband is entitled to claim all the reliefs in respect of his reputed wife, that a husband can claim in respect of his wife. In the case of a woman, it also provides the conditions under which the allowance of one thousand two hundred and fifty dollars shall be granted in respect of her reputed husband.

Clause 8 seeks to amend section 22 to increase the allowable deduction to an individual by twenty-five per cent to five hundred dollars in respect of each of his children or step children or illegitimate children without limitation as to the number of such children. It also provides for the restriction of the allowance in respect of a child by the excess of the child's income in his own right over five hundred dollars.

Clause 9 seeks to amend section 23 to increase the allowable deduction by twenty-five per cent to three hundred and seventy-five dollars. An individual is now for the first time entitled to claim this deduction where the dependent is a relative of his reputed wife. The clause also provides for the restriction of the allowance in respect of a dependent relative by the excess of the excess of the relative's total income over five hundred dollars.

Clauses 10 and 11 seek to amend sections 25A and 26 respectively to provide for the same deductions for medical treatment and life insurance for a reputed wife as in the case of a wife.

Clause 11 also makes a consequential amendment to section 26 whereunder expenditure in relation to life and sickness insurance is made a deductible allowance against income before taking into account deductions allowed under several sections of the Act. This clause seeks to provide that one of these sections shall be the new section 21A.

Clause 12 of the Bill seeks to make a consequential amendment to section 27. It provides that the deduction allowable under section 21A shall be apportionable like the other deductions allowable under the other sections of the Act referred to in section 27.

Clause 13 seeks to insert a new section 34A treating a reputed wife's income in like manner as that of a wife.

Clause 14 seeks to amend section 60 to increase by twenty-five per cent to one thousand two hundred and fifty dollars the income level required for the submission of a return.

Clause 15 seeks to amend section 100 to extend the exemption provisions of subsection (8) to a reputed wife as it extends to a wife.

*F. E. Hope,*  
Minister of Finance.