

# BILL No. 19 of 1967

PUBLISHED 9TH SEPTEMBER, 1967

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CAPITAL GAINS TAX (AMENDMENT) BILL, 1967.

Arrangement of Sections.

## Section.

1. Short title and commencement.
2. Amendment of section 8 of the Principal Ordinance.
3. Amendment of section 10 of the Principal Ordinance.
4. Repeal and re-enactment of section 12 of the Principal Ordinance.
5. Saving.

## A BILL

Intituled

AN ACT to amend the Capital Gains Tax Ordinance, 1966.

Enacted by the Parliament of Guyana:—

A.D. 1967.

1. (1) This Act may be cited as the Capital Gains Tax (Amendment) Act, 1967, and shall be construed and read as one with the Capital Gains Tax Ordinance, 1966, hereinafter referred to as the Principal Ordinance, and all amendments thereto.

Short title and commencement.

No. 13 of 1966.

(2) This Act shall come into operation with respect to and from the year of assessment commencing on the 1st January, 1967.

2. Paragraph (c) of the proviso to section 8 of the Principal Ordinance is hereby amended by the substitution of the word "twenty-five" for the word "seven".

Amendment of section 8 of the Principal Ordinance.

3. Section 10 of the Principal Ordinance is hereby amended by the substitution of the word "twenty-four" for the word "six".

Amendment of section 10 of the Principal Ordinance.

4. Section 12 of the Principal Ordinance is hereby repealed and the following section substituted therefor —

Repeal and re-enactment of section 12 of the Principal Ordinance.

"12. Capital gains tax shall be charged upon the net chargeable capital gain of any person for each year of assessment at —

- (a) the rate of fifteen per centum in the case of capital gains arising from property not more than seven years after the date of its acquisition; and
- (b) the rate of ten per centum in the case of capital gains arising from property more than seven years after the date of its acquisition."

5. (1) Any exemption which would, if the Principal Ordinance had not been amended as provided by this Act, have applied in relation to any capital gains, under paragraph (c) of the proviso to section 8 of the Principal Ordinance, and by virtue of the expiration of a period of seven years (referred to in that paragraph) prior to the 1st January, 1967, shall apply to such capital gains notwithstanding the amendment of the Principal Ordinance as aforesaid.

Saving.

(2) Section 10 of the Principal Ordinance shall apply in relation to net capital loss incurred before the 1st January, 1967, as if that section had not been amended as provided by section 3 of this Act.

## EXPLANATORY MEMORANDUM

The Capital Gains Tax Ordinance, 1966, imposes a tax of fifteen per centum on capital gains arising out of property acquired during the preceding seven years, but permits capital loss incurred in any year preceding a year of assessment to be set off against capital gains during the next six years. This Bill seeks to amend the Ordinance —

- (a) to increase those periods to twenty-five and twenty-four years, respectively, without altering the position in cases where the period of seven years expired, or the capital loss was incurred, prior to the coming into operation of the amendments; and
- (b) to impose capital gains tax at the rate of ten per centum on capital gains taxable by virtue of the increase from seven to twenty-five years.

P. S. D'AGUIAR,  
Minister of Finance.