

Public Buildings,
Georgetown,
15th November, 1969.

No. 539

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

F. A. NARAIN,
Clerk of the National Assembly.

BILL NO. 27 OF 1969.

INCOME TAX (IN AID OF INDUSTRY) (AMENDMENT)
BILL, 1969.

Arrangement of Sections.

Section

1. Short title.
2. Amendment of section 1 of Chapter 300.
3. Amendment of section 2 of Chapter 300.
4. Amendment of section 58 of Chapter 300.
5. Minor amendment of Chapter 300.
6. Savings.

A BILL

Intituled

AN ACT to amend the Income Tax (In Aid of Industry) Ordinance.

A.D. 1969

Enacted by the Parliament of Guyana:—

Short title.

Cap. 300

1. This Act may be cited as the Income Tax (In Aid of Industry) (Amendment) Act, 1969, and shall be construed and read as one with the Income Tax (In Aid of Industry) Ordinance, hereinafter referred to as the Principal Ordinance, and all amendments thereto.

Amendment of section 1 of Chapter 300.

2. The proviso to subsection (2) of section 1 of the Principal Ordinance is hereby amended by the addition of the words "with such qualifications and exceptions as he may think fit" immediately after the word "business".

Amendment of section 2 of Chapter 300.

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

- (a) by the substitution of the words "such period not exceeding five years of assessment as the Minister may determine" for the words "the five years of assessment" in paragraphs (a) and (b) of subsection (1) thereof, respectively;
- (b) by the substitution of a semicolon for the colon at the end of paragraph (b) of subsection (1) and the addition thereto of the following paragraph as paragraph (c) immediately before the proviso —

"(c) the Minister may issue a direction extending the tax holiday period granted a company for such additional period not exceeding five years of assessment as he may determine to take effect immediately after the expiration of the previous tax holiday period and the tax holiday periods so granted shall for the purposes of this Ordinance be deemed to be one tax holiday period and the income of such company or the income derived from such part of the company's trade

or business, as the case may be, for the tax holiday period, shall be exempt from income tax:" ;

- (c) by the substitution of the following proviso for the proviso to subsection (1) —

"Provided that if the income which is exempt from tax in accordance with the provisions of this subsection does not in the opinion of the Minister represent income for normal commercial production for the tax holiday period, the income for such portion of the year of assessment immediately following the end of the tax holiday period as would in the opinion of the Minister complete the full period of normal production as aforesaid shall also be exempt from income tax, and in such event the full period of normal production as aforesaid, the income for which is thereby exempt from income tax, shall be deemed to be the tax holiday period."

(2) Anything in paragraph (a) or (b) of subsection (1) of section 2 of the Principal Ordinance as amended by this Act to the contrary notwithstanding, the Minister may issue a direction for the purpose of granting a tax holiday period to a company under either of the said paragraphs to take effect from 1st January, 1967 or 1st January, 1968, as the case may be.

(3) This section shall be deemed to have come into operation on 1st January, 1967.

4. Subsection (1) of section 58 of the Principal Ordinance is hereby amended by the addition thereto of the following definition immediately after the definition of the expression "mineral deposit"—

‘ “Minister” means the Minister responsible for finance;’

5. The Principal Ordinance is hereby amended by the substitution of the word "Minister" for the expression "Governor in Council" wherever it appears.

6. Anything lawfully done under the Principal Ordinance prior to its amendment by this Act, and which would continue to have effect but for such amendment, shall continue to have effect as if so done in conformity with such amendment.

EXPLANATORY MEMORANDUM

Section 2 of the Income Tax (In Aid of Industry) Ordinance, Chapter 300, authorises a tax holiday of five years to be granted to certain companies if the trade or business carried on by them is wholly of a developmental and risk-bearing nature and is likely to be instrumental to the development of the resources of, and beneficial to, Guyana. It is considered that the Ordinance should be amended to allow for flexibility in the granting of tax holidays in order to accommodate secondary industries. Paragraph (a) of clause 3(1) of the Bill therefore seeks to amend section 2(1) of the Ordinance to authorise the Minister of Finance to grant tax holidays for periods not exceeding five years in the first instance. Paragraph (b) of clause 3 seeks to make provision enabling the Minister of Finance to extend the tax holiday period granted a company for an additional period not exceeding five years, as he may determine.

Clause 4 of the Bill seeks to vest in the Minister of Finance the powers of the Governor-General under the Ordinance.

P. A. REID,
Minister of Finance.