

GUYANA
BILL No. 18 of 2018
CAPITAL GAINS TAX (AMENDMENT) BILL 2018

ARRANGEMENT OF SECTIONS

Section

1. Short title and commencement.
2. Amendment of section 6 of the Principal Act.
3. Amendment of section 8(1) of the Principal Act.

**A BILL
Intituled**

AN ACT to amend the Capital Gains Tax Act.

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

Short title and
commencement.
Cap. 81:20

1. This Act, which amends the Capital Gains Tax Act, may be cited as the Capital Gains Tax (Amendment) Act 2018 and shall come into operation on 1st January, 2019.

Amendment of
section 6 of the
Principal Act.

2. Section 6 of the Principal Act is amended as follows –

- (a) in the proviso, by the substitution for the words “one thousand dollars”, of the words “five hundred thousand dollars”;
- (b) by re-numbering the section as section “6(1)”; and
- (c) by insertion immediately after subsection (1), as so re-numbered, of the following subsection –

“(2) Notwithstanding any other provision of this Act, Capital Gains Tax is not payable on the gains arising from the sale of property used for private residence where the proceeds from the sale are used for the purchase of a property for private residence of equal or greater value during the year of assessment or within sixty days of the end of the year in which the property is sold.”.

Amendment of
section 8(1) of the
Principal Act.

3. Section 8(1) of the Principal Act is amended as follows –

- (a) in the first proviso, by the deletion of sub-paragraph (iii); and

(b) in the second proviso immediately after the word
“Provided”, by the deletion of the word “further”.

Explanatory Memorandum

The Bill amends the Capital Gains Tax Act to provide relief to individuals by increasing the threshold for capital gains tax arising from disposal of property from \$1,000 to \$500,000.

The Bill provides further relief from capital gains to persons who sell their homes and reinvest the proceeds of the sale in the purchase of property of like-kind of equal or greater value.

Clause 3 amends section 8(1) of the Act to give effect to the removal of the twenty-five-year limitation.

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