

BILL No. 14 of 2008

Wednesday 23rd July, 2008

**PARLIAMENT OFFICE
Public Buildings,
Georgetown,
Guyana.**

23rd July, 2008

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

S. E. Isaacs,
Clerk of the National Assembly.



GUYANA

BILL No. 14 of 2008

FISCAL ENACTMENTS (AMENDMENT) BILL 2008

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
2. Insertion of new section 105 in the Income Tax Act.
3. Amendment of section 2 of the Income Tax (In Aid of Industry) Act.

A BILL
Intituled

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

A. D. 2008

Enacted by the Parliament of Guyana:-

Short title.
Cap. 81:01
Cap. 81:02

1. This Act, which amends the Income Tax Act and the Income Tax (In Aid of Industry) Act, may be cited as the Fiscal Enactments (Amendment) Act 2008.

Insertion of new section 105 in the Income Tax Act.
Cap. 81:01

2. The Income Tax Act is hereby amended by the insertion immediately after section 104 of the following as section 105 -

“Power to remit tax.

105. The Minister may make regulations, subject to negative resolution of the National Assembly, to provide for the remitting wholly or in part of the tax payable by any person or category of persons on such income, in respect of any year of assessment, and in accordance with such conditions as may be specified in the regulations.”

Amendment of section 2 of the Income Tax (In Aid of Industry) Act.
Cap. 81:02

3. Section 2 of the Income Tax (In Aid of Industry) Act is hereby amended as follows -

(a) by the substitution for subsection (1) of the following as subsection (1) -

Cap. 81:01
Cap. 81:03

“(1) Notwithstanding anything to the contrary contained in the Income Tax Act or the Corporation Tax Act, it is hereby provided that the Minister may grant an exemption from corporation tax with respect to income from new economic activity of a developmental and risk-bearing nature and qualifying under any of the following circumstances -

(a) the activity demonstrably creates new employment in any of the following regions -

- (i) Region 1: Barima/Waini;
- (ii) Region 7: Cuyuni/Mazaruni;
- (iii) Region 8: Potaro/Siparuni;
- (iv) Region 9: Upper Takatu/Upper Essequibo;
- (v) Region 10: Upper Demerara/Upper Berbice;
- (vi) such other Regions as the Minister may, by Order, subject to negative resolution of the National Assembly, specify;

(b) the activity demonstrably creates new employment in any of the following fields -

- (i) non-traditional agricultural development and agro-processing, including aquaculture and production of bio-fuels;
- (ii) information and communications technology, not including retail and distribution;
- (iii) petroleum exploration, extraction and refining;
- (iv) mineral exploration, extraction and refining;
- (v) tourist facilities;
- (vi) value-added wood processing;
- (vii) textile production;
- (viii) bio-technology;
- (ix) development and manufacturing of new pharmaceutical products, chemical compounds and the processing of raw materials to produce injectables;
- (x) infrastructural development, including the production of electricity using renewable sources of energy;
- (xi) such other fields as the Minister may, by Order, subject to negative resolution of the National Assembly, specify."

(b) by the substitution for subsection (1A) of the following as subsection (1A)-

"(1A) Any exemption from tax granted under this section shall be for a period not exceeding five years, except that in the case of new economic activity specified in subsection 1(b) the Minister may grant an exemption for a period up to ten years:

Provided that, in the case of new economic activity specified in paragraph 1(b)(x), the Minister may grant an exemption for a period longer than ten years."

(c) by the deletion of subsection (1B).

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Income Tax Act, Cap. 81:01 and the Income Tax (In Aid of Industry) Act, Cap. 81:02.

Clause 2 seeks to amend the Income Tax Act so as to empower the Minister to make regulations for the purpose of granting remission of income tax in accordance with conditions to be specified in the regulations.

Clause 3 seeks to amend the Income Tax (In Aid of Industry) Act so as to redefine and amplify eligible Regions and fields for tax holidays for certain periods. The amendment also empowers the Minister to specify by Order, new Regions or fields. However, such orders shall be subject to negative resolution of the National Assembly.



Minister of Finance