

PARLIAMENT OFFICE,
Public Buildings,
Georgetown.
Guyana.

1993—03—24.

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

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



GUYANA

BILL No. 12 OF 1993

FISCAL ENACTMENTS (AMENDMENT) BILL 1993

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement.
2. Amendment of section 3 of the Income Tax Act.
3. Amendment of section 8 of the Income Tax Act.
4. Repeal and re-enactment of section 20 of the Income Tax Act.
5. Repeal and re-enactment of section 36 of the Income Tax Act.

6. Amendment of section 60 of the Income Tax Act.
7. Amendment of section 71 of the Income Tax Act.
8. Amendment of section 2 of the Corporation Tax Act.
9. Repeal and re-enactment of section 10 of the Corporation Tax Act.

A BILL

Intituled

AN ACT to amend the Income Tax Act and the Corporation Tax Act.

A.D. ~~1993~~ Enacted by the Parliament of Guyana:—

Short title
and com-
mencement,
Cap. 81:01
Cap. 81:03

1. (1) This Act, which amends the Income Tax Act and the Corporation Tax Act, may be cited as the Fiscal Enactments (Amendment) Act 1993.

Cap: 2:01

(2) Sections 2 and 7 shall, in accordance with section 15 of the Interpretation and General Clauses Act, come into operation on the date of publication of this Act.

(3) Sections 3 to 6 (inclusive), 8 and 9 shall come into operation with respect to and from the year of assessment commencing on 1st January, 1994,

Amendment
of section
3 of the
Income Tax
Act.
Cap. 81:01

2. Section 3 of the Income Tax is hereby amended as follows —

(a) in subsection (1), by the substitution for the words “a Deputy Commissioner of Inland Revenue” of the words “two Deputy Commissioners of Inland Revenue”;

(b) in subsection (2), by the substitution for the words “the Deputy Commissioner of Inland Revenue”, of the words “any Deputy Commissioner of Inland Revenue”.

Amendment
of section
8 of the
Income Tax
Act.
Cap. 81:01

3. Section 8 of the Income Tax Act is hereby amended by the substitution for the words “\$72,000 per annum” wherever those words occur of the words “\$120,000 per annum.”

Repeal and
re-enact-
ment of
section 20
of the
Income Tax
Act.
Cap. 81:01

4. Section 20 of the Income Tax Act is hereby repealed and the following section substituted therefor —

Deductions:

20. Subject to this Act, in ascertaining the chargeable income of an individual for any year of assessment there shall be allowed a deduction of one hundred and twenty thousand dollars and such deduction shall be apportioned according to the individual's earning period and allowed accordingly."

5. Section 36 of the Income Tax Act is hereby repealed and the following section substituted therefor —

Repeal and re-enactment of section 36 of the Income Tax Act.
Cap. 81:01

"Rate of tax,

36. The tax upon the chargeable income of every person other than a company shall be at the rate of thirty-three and one third per cent of the amount of the chargeable income."

6. Section 60 (1) (a) of the Income Tax Act is hereby amended by the substitution for the words "seventy-two thousand dollars" of the words "one hundred and twenty dollars".

Amendment of section 60 of the Income Tax Act.
Cap. 81:01

7. Section 71 of the Income Tax Act is hereby amended by the insertion immediately after subsection (6) of the following subsection as subsection (7) —

Amendment of section 71 of the Income Tax Act.

"(7) Notwithstanding anything in this Act, where the Commissioner is of the opinion that any person is about to or is likely to leave Guyana without making arrangements to the satisfaction of the Commissioner, when required by the Commissioner, to do so, for the payment of all income tax that is or may become payable by that person under this Act on his income accruing in or derived from Guyana or elsewhere up to and including the year in which he proposes to leave Guyana, the Commissioner may issue a direction to the Commissioner of Police or Chief Immigration Officer, or both, to prevent such person from leaving Guyana without paying the taxes or furnishing security to the satisfaction of the Commissioner for the payment thereof."

8. Section 2 (1) of the Corporation Tax Act is hereby amended by the insertion immediately after the definition of "chargeable profits" of the following definition —

Amendment of section 2 of the Corporation Tax Act.
Cap. 81:08

“commercial company” means a company at least seventy-five per cent of the gross income of which is derived from trading in goods not manufactured by it and includes any commission agency, any telecommunication company, any body corporate licensed or otherwise authorised by law to carry on banking business in Guyana, and any company carrying on in Guyana insurance business, other than long-term insurance business, as defined in section 2 of the Insurance Act;”.

Cap. 91:02

Repeal and re-enactment of section 10 of the Corporation Tax Act. Cap, 81:03

9. Section 10 of the Corporation Tax Act is hereby repealed and the following section substituted therefor —

“Rate of Tax

10. Subject to this Act, corporation tax shall be paid at the rate of forty-five per cent of the chargeable profits of a commercial company, and at the rate of thirty-five per cent in the case of any other company.”.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Income Tax Act, Cap. 81:01, and the Corporation Tax Act, Cap. 81:03, to give effect to a number of proposals in the 1993 Budget.

Clause 2 of the Bill seeks to amend section 3 of the Income Tax Act to increase the number of Deputy Commissioners of Inland Revenue from one to two.

Clause 4 substitutes a new section 20 in the Income Tax Act for the existing section. This new section allows for one hundred and twenty thousand dollars of an individual’s income to be tax free. Clauses 3 and 6 make consequential amendments to sections 8 and 60 to reflect this tax free income. Clause 5 fixes the rate of tax at thirty-three and one third per cent of the chargeable income of an individual.

Clause 7 inserts a new subsection (7) in section 71 of the Income Tax Act which re-invests the Commissioner of Inland Revenue with the power to direct the Commissioner of Police to prevent a person from leaving Guyana without paying his taxes or furnishing satisfactory security for the payment thereof.

Clause 8 inserts in section 2 (1) of the Corporation Tax Act the definition of “commercial company”. Clause 9 fixes the rate of corporation tax to be paid by a commercial company at forty-five per cent of its chargeable profits and the rate paid by any other company at thirty-five per cent of such profits.

Asgar Ally,
Senior Minister of Finance.