

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

**1989—03—31.**

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. 5 of 1989**

**FISCAL ENACTMENTS (AMENDMENT) BILL 1989**

**ARRANGEMENT OF SECTIONS**

**SECTION**

- 1. Short title and commencement.**
- 2. Amendment of section 3 of the Income Tax Act.**
- 3. Amendment of section 16 of the Income Tax Act.**
- 4. Amendment of section 18 of the Income Tax Act.**

5. Repeal and re-enactment of section 20 of the Income Tax Act.
6. Insertion of new section 33G in the Income Tax Act.
7. Repeal and re-enactment of section 36 of the Income Tax Act.
8. Amendment of section 60 of the Income Tax Act.
9. Amendment of section 96 of the Income Tax Act.
10. Amendment of section 7A of the Capital Gains Tax Act.
11. Amendment of section 8 of the Capital Gains Tax Act.
12. Insertion of new section 14A in the Capital Gains Tax Act.
13. Insertion of new section 14A in the Property Tax Act.
14. Amendment of section 27 of the Estate Duty Act.

## A BILL

### Intituled

AN ACT to amend the Income Tax Act, the Capital Gains Tax Act,  
the Property Tax Act and the Estate Duty Act.

**A.D. 1989** Enacted by the Parliament of Guyana:—

**Short title and commencement.** 1.(1) This Act may be cited as the Fiscal Enactments (Amendment) Act 1989.

**Cap. 81:01** (2) (a) The amendments made to section 3 of the Income Tax Act shall come into operation on the date of the enactment of this Act.

(b) The amendments made to sections 16 and 18 of the Income Tax Act shall come into operation with respect to and from the year of assessment commencing on 1st January, 1989.

(c) The amendments made to sections 20, 33, 36, 60 and 96 of the Income Tax Act shall come into operation with respect to and from the year of assessment commencing on 1st January, 1990.

**Cap. 81:20  
Cap. 81:21** (3) The amendments made to sections 7A and 8 of, and the new section 14A inserted in the Capital Gains Tax Act and the new section 14A inserted in the Property Tax Act shall come into operation with respect to and from the year of assessment commencing on 1st January, 1989.

**Cap. 81:20** (4) The amendments made to section 27 of the Estate Duty Act shall apply to all deaths occurring on or after 1st January, 1989.

**Amendment of section 3 of the Income Tax Act.  
Cap. 81:01.** 2. Section 3 of the Income Tax Act is hereby amended by the insertion in subsection (1) after the words "Commissioner of Inland Revenue," of the words "a Senior Deputy Commissioner of Inland Revenue," and in subsection (2) after the words "as may be necessary, by" of the words "the Senior Deputy Commissioner of Inland Revenue,".

3. Section 16(1) (g) of the Income Tax Act is hereby amended by the deletion of the words “(but not including income tax)”

Amendment of section 16 of the Income Tax Act, Cap. 81:01

4. Section 18 of the Income Tax Act is hereby amended by the insertion after paragraph (g) of the following paragraph as paragraph (gg) —

Amendment of section 18 of the Income Tax Act, Cap. 81:01

“(gg) income tax, corporation tax, property tax or any other identical or substantially similar tax;”.

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

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

20. Subject to this Act, in ascertaining the chargeable income of an individual who is resident in Guyana in the year preceding the year of assessment, there shall be allowed a deduction of five thousand dollars.”

6. The Income Tax Act is hereby amended by the insertion after section 33F of the following section as section 33G —

Insertion of new section 33G in the Income Tax Act, Cap. 81:01

33G. Notwithstanding section 5(a), where a painter, sculptor or author obtains any sum for the sale of his work in the production of which he was engaged for a period of —

- (a) more than one year but not more than two years, the income from the sale of such work shall be taxed, one-half in the year of receipt of the income and the other one-half in year preceding the year of receipt of the income.
- (b) more than two years, the income from the sale of such work shall be taxed, one-third in the year of receipt of the income and one-third in each of the two years, preceding the year of receipt of the income.”.

7. 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

36. The tax upon the chargeable income of every person, other than a company, shall be charged at the following rates —

For every dollar of the first \$5,000	Nil
“ ” “ ” “ next \$5,000	10 cents

4.

For every dollar of the first \$5,000	20 cents
” ” ” ” ” ” \$5,000	30 ”
” ” ” ” ” ” \$10,000	40 ”
” ” ” ” ” remainder of the chargeable income	50 ” ”

**Amendment  
of section 60  
of the In-  
come Tax  
Act,  
Cap. 81:01**

8. Section 60 of the Income Tax Act is hereby amended in the following respects —

- (a) in subsection 1 —
  - (i) in paragraph (a), by the substitution for the words “four thousand” for the words “ten thousand” and by the deletion of the word “or”;
  - (ii) by the insertion after paragraph (a) of the following paragraph as paragraph (aa) —
    - “(aa) a non-resident individual whose income is not less than five thousand dollars; or”;
- (b) by the insertion after subsection (4) of the following subsection as subsection (4A) —
  - “(4A) Notwithstanding subsection (1) the Commissioner may require any individual who derives income from sources other than employment to deliver to the Commissioner a return comprising all sources of income.”.

**Amendment  
of section 96  
of the In-  
come Tax  
Act,  
Cap. 81:01**

9. Section 96 of the Income Tax Act is hereby amended in the following respects —

- (a) in subsection (1), by the substitution for the word “Provided” in the proviso of the words “Provided further” and by the insertion of the following proviso as the first proviso —
  - “Provided that the Commissioner may require any company to pay any advance on account of tax based provisionally on the chargeable income of that company for each quarter of the year in which such income was earned by the company, if the Commissioner is satisfied that such basis will result in the satisfactory payment of the tax which the company ought to pay on its income for the year of assessment.”;
- (b) in subsection (2), by the substitution for the word “proviso” of the words “provisos”.

10. Section 7A (3) of the Capital Gains Tax Act is hereby amended by the insertion after the words "in the company" of the following words", and where the Commissioner is dissatisfied with the amount of consideration stated for the disposal or acquisition of any such property, he may reject such consideration and substitute therefor the market value of a competent valuer."

Amendment of section 7A of the Capital Gains Tax Act, Cap. 81:20

11. Section 8 of the Capital Gains Tax Act is hereby amended by the substitution for the full stop at the end of the proviso to paragraphs (a) to (h) of a colon and by the substitution, in paragraph (i), for the words "(i) net chargeable capital gains" of the words "Provided further that the net chargeable capital gains".

Amendment of section 8 of the Capital Gains Tax Act, Cap. 81:20

12. The Capital Gains Tax Act is hereby amended by the insertion after section 14 of the following section as section 14A —

Insertion of new section 14A in the Capital Gains Tax Act, Cap. 81:20

**"Persons to estimate and pay tax,** 14A. (1) Subject to section 8, every person required by section 14 to deliver to the Commissioner a return of his capital gains shall in that return estimate the amount of tax payable.

(2) The tax estimated in subsection (1) shall be paid to the Commissioner on or before the prescribed day referred to in section 14(2)."

13. The Property Tax Act is hereby amended by the insertion after section 14 of the following section as section 14A —

Insertion of new section 14A in the Property Tax Act, Cap. 81:21

**"Persons to estimate and pay tax,** 14A. (1) Every person required by section 14 to deliver to the Commissioner a return of his net property shall in that return estimate the amount of tax payable.

(2) The tax estimated in subsection (1) shall be paid to the Commissioner on or before the prescribed day referred to in section 14(2)."

14. Section 27(1) of the Estate Duty Act is hereby amended by the substitution therefor of the following subsection as subsection (1) —

Amendment of section 27 of the Estate Duty Act, Cap. 81:23

"(1) For determining the rate of estate duty to be paid on the death of the deceased, all property passing on the death as well as property passing before death which is liable for duty under section 9(1) (b) shall be aggregated so as to form one estate, and the duty shall be levied at the proper graduated rate on the net value thereof."

## EXPLANATORY MEMORANDUM

Seven sections of the Income Tax Act, Cap. 81:01, are sought to be amended and one new section is sought to be inserted in the Act, by this Bill. Clause 2 of the Bill seeks to amend section 3 to provide for the appointment of a Senior Deputy Commissioner of Inland Revenue. Clauses 3 and 4 seek to amend sections 16 and 18 to make it abundantly clear that property tax, income tax, corporation tax and any similar tax are not deductible in ascertaining chargeable income or profits.

Clause 5 seeks to repeal section 20 of the Income Tax Act and to substitute a new section 20 which increases the personal allowance for an individual to five thousand dollars.

Clause 6 seeks to insert a new section 33G in the Income Tax Act which makes special provision for the income of painters, sculptors and authors derived from the sale of their work to be treated for tax purposes as having been earned over a period of up to three years, depending on the length of time taken to complete such work, so that income tax on one-half or one-third of such income, as the case may be, may be paid in each year.

Clause 7 seeks to repeal section 36 of the Income Tax Act and to substitute a new section 36 which provides new and more favourable income tax bands and rates for the present ones. Clause 8 seeks to amend section 60 to exempt from income tax residents and non-residents whose incomes do not exceed ten thousand dollars and five thousand dollars respectively per annum; and empowers the Commissioner to require any individual with income from sources other than employment to file an income tax return.

Clause 9 seeks to amend section 96 of the Income Tax Act to empower the Commissioner to direct any company to pay tax in advance quarter yearly on the chargeable income of that company for the year in which the income is earned if the Commissioner is satisfied that such an arrangement will result in the satisfactory payment of tax.

Clause 10 and 12 seek to amend the Capital Gains Tax Act, Cap. 81:20. Clause 10 amends section 7A(3) to empower the Commissioner where he is dissatisfied with the consideration stated for the disposition or acquisition of any property to substitute therefor the market value of a competent valuer. Clause 12 inserts a new section 14A in the Act requiring every person in the return of his capital gains to estimate the amount of tax payable and to pay such tax on or before the 30th of April.

Clause 13 seeks to insert a new section 14A in the Property Tax Act, Cap. 81:21, similar to section 14A to be inserted in the Capital Gains Tax Act, requiring every person in the return of his net property to estimate the amount of tax payable and to pay such tax on or before the 30th of April.

Clause 14 seeks to amend section 27 of the Estate Duty Act, Cap. 81:23, to provide that not only property of the deceased passing on his death should be aggregated to determine the rate of estate duty, but also property passing before his death which is liable for duty under section 9(1) (b) of the said Act.

(Bill No. 5/1989)  
(ST: 34/2/1/17)

*Carl B. Greenidge,*  
Minister of Finance.