

**BILL No. 11 of 2013**

*Tuesday 9<sup>th</sup> April, 2013*

PARLIAMENT OFFICE  
Public Buildings,  
Georgetown,  
Guyana.

9<sup>th</sup> April, 2013.

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

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



**GUYANA**

**BILL No. 11 of 2013**  
**FISCAL ENACTMENTS (AMENDMENT) BILL 2013**

**ARRANGEMENT OF SECTIONS**

**SECTION**

1. Short title and commencement.
2. Insertion of new section 20A in the Income Tax Act.
3. Amendment of section 36 of the Income Tax Act.
4. Amendment of section 12(1) of the Property Tax Act.
5. Amendment of the First Schedule to the Property Tax Act.

2  
A BILL  
Intituled

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

A.D.2013 Enacted by the Parliament of Guyana:-

Short title and  
commencement.  
Cap. 81:01  
Cap. 81:21

1. This Act, which amends the Income Tax Act and the Property Tax Act, may be cited as the Fiscal Enactments (Amendment) Act 2013 and shall come into operation with respect to and from the year of assessment commencing on 1<sup>st</sup> January, 2014.

Insertion of new  
section 20A in  
the Income Tax  
Act.  
Cap. 81:01

2. The Income Tax Act is amended by the insertion immediately after section 20 of the following as section 20A -

"Mortgage  
interest relief.

**20A.**

(1) Subject to this Act and the Regulations made under it, in ascertaining the chargeable income of an individual who was resident in Guyana in the year immediately preceding the year of assessment, there shall be

allowed a deduction of the interest paid on housing mortgage loans owed by the individual to licensed financial institutions or approved mortgage finance companies for -

- (a) the purchase of land for constructing a residential building;
- (b) the construction of a residential building; or
- (c) the acquisition of a residential building,

to be occupied by the individual as a first time home owner, where the principal amounts of the housing mortgage loans do not and did not at any time exceed the sum of thirty million dollars in the aggregate.

(2) Notwithstanding the provisions of any other law, the Commissioner-General may deduct and pay from gross taxes collected under this Act amounts due and payable as refunds for the purposes of administering this section, and pay into the consolidated fund net taxes collected after such deductions are made."

Amendment of  
section 36 of  
the Income Tax  
Act.  
Cap 81:01

3. Section 36 of the Income Tax Act is amended by the substitution of the following as section 36 -

"Rates of tax.

36. The tax upon the chargeable income of every person, other than a company, shall be at the rate of thirty percent."

Amendment of  
section 12 of  
the Property  
Tax Act.

Cap. 81:21

Amendment of  
the First  
Schedule to the  
Property Tax  
Act.

Cap. 81:21

4. Section 12 of the Property Tax Act is amended by the substitution for the words "1<sup>st</sup> January, 1991" wherever they appear of the words "1<sup>st</sup> January, 2011".
- ✓ 5. The First Schedule to the Property Tax Act is amended by the substitution of the following schedule as the first schedule -

**"FIRST SCHEDULE  
RATES OF PROPERTY TAX**

Rate Percent

s.7

**(1) For a person other than a company:**

On the first \$40,000,000 of net property	Nil
For every dollar of the remainder of net property	¾

**(2) For a company:**

On the first \$10,000,000 of net property	Nil
For every dollar of the next \$15,000,000 of net property	½
For every dollar of the remainder of net property	¾

**The above is effective from year of assessment 2014.**

The following is effective during the years of assessment from 2000 to 2013.

(1) For a person other than a company:

On the first \$7,500,000 of net property	Nil
For every dollar of the next \$5,000,000	$\frac{1}{2}$
For every dollar of the remainder of net property	$\frac{1}{4}$

(2) For a company:

On the first \$1,500,000 of net property	Nil
For every dollar of the next \$5,000,000 of net property	$\frac{1}{2}$
For every dollar of the remainder of net property	$\frac{1}{4}$

The following is effective during the years of assessment from 1993 to 1999.

(1) For a person other than a company:

On the first \$5,000,000 of net property	Nil
For every dollar of the next \$5,000,000 of net property	$\frac{1}{2}$
For every dollar of the remainder of net property	$\frac{3}{4}$

(2) For a company:

On the first \$500,000 of net property	Nil
For every dollar of the next \$5,000,000 of net property	$\frac{1}{2}$
For every dollar of the remainder of net property	$\frac{3}{4}$

The following is effective during the years of assessment from 1989 to 1992.

(1) For a person other than a company:



* On the first \$200,000 of net property	Nil
For every dollar of the next \$300,000 of net property	½
For every dollar of the next \$500,000 of net property	1
For every dollar of the remainder of net property	1½
<b>(2) For a company:</b>	
On the first \$500,000, or part thereof, of net property	½
For every dollar of net property in excess of \$500,000	¾

\*(Y/A 1983-1989 \$50,000)."

## EXPLANATORY MEMORANDUM

Clause 2 of the Bill seeks to grant partial relief from tax by allowing a deduction of interest payments on mortgages up to thirty million dollars where the individual is a first time home owner.

Clause 3 of the Bill seeks to reduce the rate of income tax from  $33\frac{1}{3}$  percent to 30 percent with effect from year of assessment 2014 (year of income 2013).

Clause 4 seeks to change the valuation date of properties for property tax purposes from 1<sup>st</sup> January 1991 to 1<sup>st</sup> January 2011.

Clause 5 seeks to substitute for schedule 1 a new schedule which amends paragraph 1 by increasing the non-taxable net property from 7.5 million to 40 million dollars and to charge the remainder of net property at  $\frac{3}{4}$  of one percent in the case of individuals, and by increasing the non-taxable net property from 1.5 million to 10 million dollars and to charge the next 15 million dollars at  $\frac{1}{2}$  of one percent and every dollar of the remainder at  $\frac{3}{4}$  of one percent in the case of companies.



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Minister of Finance