

**THE OFFICIAL GAZETTE 20<sup>TH</sup> DECEMBER, 2016**  
**LEGAL SUPPLEMENT — C**

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**BILL No. 29 of 2016**

*Tuesday 20<sup>th</sup> December, 2016*

PARLIAMENT OFFICE  
Public Buildings,  
Georgetown,  
Guyana.

20<sup>th</sup> December, 2016.

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

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



**BILL No. 29 of 2016**

**CORPORATION TAX (AMENDMENT) BILL 2016**

**ARRANGEMENT OF SECTIONS**

**SECTION**

1. Short title.
2. Amendment of Section 10 of the Principal Act.
3. Amendment of Section 10A of the Principal Act.

**A BILL**  
**Intituled**

**AN ACT** to amend the Corporation Tax Act.

A.D. 2016

Enacted by the Parliament of Guyana:-

Short title and  
commencement.  
Cap 81:03

1. (1) This Act, which amends the Corporation Tax Act, may be cited as the Corporation Tax (Amendment) Act 2016.
- (2) The amendments to the Corporation Tax Act shall come into operation with respect to and from the year of income commencing on the 1<sup>st</sup> January, 2017.

Amendment of  
section 10 of  
the Principal  
Act.

2. Section 10 of the Principal Act is amended as follows –
  - (a) by the renumbering of section “10. ” as “10. (1)”;
  - (b) in paragraph (c), by the substitution for the words “thirty percent” of the words “twenty seven and one half percent”;
  - (c) by the insertion of the following subsection –
 

“(2)(a) There shall be a dual rate of corporation tax for companies that are engaged in commercial and non-commercial activities.

(b) For companies that are engaged in commercial and non-commercial activities, the non-commercial activity of the company shall be taxed at the rate of twenty-seven one half per cent and the commercial activity of the company shall be taxed at the rate of forty per cent.”.

Amendment of  
Section 10A of  
the Principal  
Act.

3. Section 10A of Principal Act is amended by the substitution for subsection (1) of the following –
 

“(1) Where for any year of assessment the corporation tax payable by a commercial company is less than two percent of

the turnover of the commercial company in the year of income immediately preceding that year of assessment, then not withstanding anything contained in sections 4 and 10, and subject to this section, for the aforesaid year of assessment there shall be levied on, and paid by the commercial company a corporation tax (in this Act referred to as “minimum tax”) at the rate of two percent of the turnover of the commercial company in such year of income:

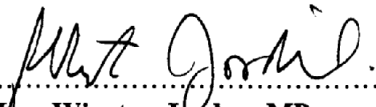
Provided that when proven to the satisfaction of the Commissioner-General that the rate of two percent of the turnover of the commercial company or of a company engaging in commercial activities, exceeds the rate of tax under section 10(b), the corporation tax payable shall be limited to the corporation tax assessed and payable under section 10(b).

## EXPLANATORY NOTES

The Bill seeks to reduce the corporation tax rate from thirty per cent to twenty-seven and one half percent for manufacturing and non-commercial companies.

The Bill prescribes the minimum tax rate at 2% of the turnover of a commercial company or 40% of taxable income, whichever is lower.

The Bill introduces a dual tax rate for companies carrying out both commercial and non-commercial activities. This means that the non-commercial part of the business will benefit from the lower corporate tax rate of 27.5% but will pay the commercial tax rate of 40% for their commercial operations.



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**Hon. Winston Jordan, MP**  
**Minister of Finance**