

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 3,116 of 22nd July, 1999

LEGAL NOTICE NO. 82 OF 1999

INCOME TAX ORDINANCE

RATES OF TAX RULES 1989 (AMENDMENT) RULES 1999

In exercise of the powers conferred on him by section 37 of the Income Tax Ordinance, the Governor has made the following Rules -

Title and commencement.

1. These Rules may be cited as the Rates of Tax Rules 1989 (Amendment) Rules 1999 and shall be deemed to have come into effect on the 1st July 1999.

Amendments to the Rates of Tax Rules.

2. The Rates of Tax Rules 1989 shall be amended as follows -

(a) rule 2 shall be amended by substituting for the words and figures -

(i) “the first £1500 of taxable income” the words and figures -

“the first £3000 of taxable income”;

(ii) “the next £5,500 of taxable income at the rate of 30 per cent” the words and figures -

“the next £4000 of taxable income at the rate of 30 per cent”;

(b) for rule 6, there shall be substituted the following rule -

“Corporation Tax.

6.(1) Except where otherwise expressly provided, tax which, for the avoidance of doubt, shall be known as

Corporation Tax, shall be charged on the taxable income of every company in any year of assessment, at the rate of 35%.

(2) Where the Commissioner is satisfied that, in any year of assessment, a company has a taxable income of £35000 or less and is a small company, Corporation Tax shall be charged at the rate of 20%.

(3) Where the Commissioner is satisfied that, in any year of assessment, a company has a taxable income of less than the sum of £105000 but more than the sum of £35000 and is a small company, Corporation Tax shall be charged at the rate of 35% less relief.

(4) The relief referred to in sub-rule (3) shall be determined by deducting the amount of the taxable income in any year of assessment from the sum of £105000 and multiplying the resultant figure by the fraction 3/40.

(5) In this rule, "small company" means a company whose trading activities, in any year of assessment, proves to the satisfaction of the Commissioner, has a minimum of 80% of its total trading receipts derived directly or indirectly from sources other than the following -

- (a) dividends, interest or discounts;
- (b) rents, royalties, premiums, and any other profits arising from property.”;

(c) for rule 7 there shall be substituted the following rule -

“Building Society Tax.

7.(1) Except where otherwise expressly provided, tax shall be charged on the taxable income of every building society in any year of assessment, at the rate of 35%.

(2) Where the Commissioner is satisfied that, in any year of assessment, a building society has a taxable income of £35000 or less, tax shall be charged at the rate of 20%.

(3) Where the Commissioner is satisfied that, in any year of assessment, a building society has a taxable income of less than the sum of £ 105000 but more than the sum of £35000, tax shall be charged at the rate of 35% less relief.

The relief referred to in sub-rule (3) shall be determined by deducting the amount of the taxable income in any year of assessment from the sum of £105000 and multiplying the resultant figure by the fraction $\frac{3}{40}$.

In this rule "building society" shall be construed in accordance with the provisions of the Building Societies Ordinance as amended from time to time."

Dated this 22nd day of July, 1999.

By Command,

P. SPELLER.

Deputy Governor.