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**HOME PURCHASE (DEDUCTIONS) RULES, 1989**

This version is out of date

**Subsidiary  
1989/099**

Rules made under s.37A.

**HOME PURCHASE (DEDUCTIONS) RULES, 1989**

**(LN.1989/099)**

**23.11.1989**

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**ARRANGEMENT OF RULES.**

Rule

1. Title.
2. Deduction for payments towards house purchase.
3. Carry over of relief.
4. Joint ownership.
5. Provisional refund.
6. Forfeiture of deduction.
7. Repeal of section 26A of the Act.

**Title.**

1. These Rules may be cited as the Home Purchase (Deductions) Rules, 1989.

**Deduction for payments towards house purchase.**

2. (1) Subject to subrules (2) and (3), an individual who is ordinarily resident in Gibraltar and proves to the satisfaction of the Commissioner that he or his spouse living with him—

- (a) has purchased, or entered into an agreement to purchase, a dwelling situate in Gibraltar for his or their own residential occupation; or
- (b) has constructed, or is in the process of constructing, a dwelling in Gibraltar for such a purpose,

shall be entitled in any one or more years of assessment to claim a deduction or deductions amounting in aggregate to not more than £10,000 from his or her assessable income.

(2) Subject to rule 3, a deduction under this rule:

- (a) shall not be allowed more than once nor be granted in respect of more than one dwelling at any one time;
- (b) shall only be allowed in respect of any payment or payments made on or after 1 July 1988 towards the purchase or construction of the dwelling;
- (c) shall not in any year of assessment exceed the aggregate amount paid by the individual in that year towards the purchase or construction of the dwelling, including the repayment of any loan, any part of a loan, or any interest on any loan obtained by him or his spouse for that purpose; and
- (d) shall not be allowed to an individual who-
  - (i) is a resident tenant of a dwelling belonging to the Crown in right of its Government of Gibraltar in respect of the purchase of such dwelling; or
  - (ii) has acquired from the Crown a property for redevelopment for his own residential occupation; and

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- (e) shall be reduced by the amount of any deduction previously allowed under section 26A of the Act prior to its repeal by these rules.

(3) An individual claiming a deduction under this rule may elect that the deduction be made from the assessable income of his own, or of his spouse, or of both in the proportion of 50% each.

**Carry over of relief.**

3. Where the amount claimed in respect of the dwelling in any year of assessment is less than the amount to which the individual is entitled under these Rules, then notwithstanding rule 2(2)(c) a deduction shall be granted in respect of the balance of the entitlement in any subsequent year of assessment.

**Joint ownership.**

4. Where it is shown to the satisfaction of the Commissioner that two or more individuals are entitled to a deduction under these Rules separately in respect of the same dwelling, the Commissioner shall only allow each such individual a reduced deduction, the amount of which shall be reckoned by reference to the individual's interest in the dwelling.

**Provisional refund.**

5. If the Commissioner is satisfied that an individual has not obtained the full tax relief that he is entitled to under these Rules in any year of assessment the Commissioner may, at his discretion, refund to that individual an amount of tax equivalent to tax at the standard rate on the unutilised balance of the relief to which the individual was entitled in that year of assessment subject to any adjustment that may be made in the individual's assessment for that year.

**Forfeiture of deduction.**

6.(1) Subject to sub-rule (2), an individual who, within twelve months of obtaining the legal estate of the dwelling in respect of which a deduction is allowable under these rules,-

- (a) sells or disposes (otherwise than by way of mortgage) of his interest therein; or

- (b) fails or ceases to use such dwelling for his own residential accommodation,

shall not be entitled to claim deduction under these rules and where such a deduction has been made in respect of a past year of assessment, the Commissioner may make an amended or additional assessment to bring the amount of that deduction to charge, in accordance with section 74 of the Act.

(2) Subrule (1) shall not apply where the individual ceases by reason of his death to use such dwelling for his residence and the dwelling continues to be occupied by his spouse.

**Repeal of section 26A of the Act.**

7. Section 26A of the Act is repealed, provided that an individual who, prior to the coming into operation of these Rules—

- (a) was a resident tenant of a dwelling belonging to the Crown in right of its Government of Gibraltar;
- (b) has acquired from the Crown a property for redevelopment for his own residential occupation,

shall continue to be entitled to claim the deduction, in respect of the purchase by him or his spouse of that dwelling, specified in section 26A of the Act prior to its repeal by these Rules.