

**SECOND SUPPLEMENT TO THE GIBRALTAR  
GAZETTE**

No. 2,658 of 27<sup>th</sup> FEBRUARY, 1992.

---

---

LEGAL NOTICE No. 21 OF 1992.

**INCOME TAX ORDINANCE.**

**HOME PURCHASE (DEDUCTIONS) (AMENDMENT) RULES 1992.**

In exercise of the powers conferred on him by section 37A of the Income Tax Ordinance, and of all other enabling powers, the Governor has made the following rules-

**Title and commencement.**

1. These rules may be cited as the Home Purchase (Deductions) (Amendment) Rules 1992 and shall be deemed to have come into effect on the 1st day of July 1991.

**Amendment to rule 2.**

2. Rule 2 of the Home Purchase (Deductions) Rules 1989 (hereinafter called "the principal Rules") is amended in the marginal note thereto by inserting after the word "purchase" the words "for own residential occupation".

**New rule 2A.**

3. The principal Rules are amended by inserting after rule 2 the following new rule-

**"Deductions for payments towards house purchase for child's residential occupation.**

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

(a) has purchased, or entered into an agreement to purchase, a dwelling situate in Gibraltar for residential occupation by a child of theirs or his or hers; 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 in respect of a particular child of theirs or his or hers nor be granted in respect of more than one dwelling for such child at any one time;

(b) shall only be allowed in respect of any payment or payments made on or after 1st 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 any loan, or any interest on any loan obtained by him or his spouse for that purpose and shall not in total exceed the purchase price or the cost of construction of the dwelling; and

(d) shall not be allowed to an individual who-

(i) is a resident 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 residential occupation for such child.

(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.

- (4) For the purpose of ascertaining entitlement to a deduction under this rule "amount" shall not include any proceeds received by an individual on maturity or earlier realisation of a policy of life assurance entered into for the purpose of securing a loan to assist in the purchase of the dwelling."

**Amendment to rule 3.**

4. Rule 3 of the principal Rules is amended by inserting after the expression "rule 2 (2) (c)" the expression "and/or rule 2 A (2) (c)".

**Amendment to rule 6.**

5. Rule 6 of the principal Rules is amended-

- (a) in sub-rule (1) by omitting the words "these rules" where they occur for the first time and substituting therefor the expression "rule-2";
- (b) by inserting after sub-rule (2) the following new sub-rules-

"(3) Subject to sub-rule (4), an individual who or whose child or the child of whose spouse, within twelve months of obtaining the legal estate of the dwelling in respect of which a deduction is allowable under rule 2A-

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

(b) fails or ceases to use such dwelling for residential occupation by that child,

shall not be entitled to claim deduction under these rules and where such 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 Ordinance.

- (4) Sub-rule (3) shall not apply where such child ceases by reason of his death to use such dwelling for his residence and the dwelling continues to be occupied by his spouse, or by another child of the individual to whom a deduction in respect of that dwelling has been allowed under rule 2A and in respect of which child the individual would have been entitled to claim a deduction under rule 2A but has not done so."

Dated this 27th day of February, 1992.

By Command,  
A. CARTER,  
Deputy Governor.