

**SECOND SUPPLEMENT TO THE
GIBRALTAR GAZETTE**

No. 2,865 of 31st August, 1995

LEGAL NOTICE NO.119 OF 1995.

INCOME TAX ORDINANCE

**INCOME TAX (ALLOWANCES, DEDUCTIONS AND
EXEMPTIONS) (AMENDMENT) RULES 1995.**

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 Income Tax (Allowances, Deductions and Exemptions) (Amendment) Rules 1995 and shall be deemed to have come into effect on the 1st day of July 1995.

Amendment to rule 22.

2. Rule 22 of the Income Tax (Allowances, Deductions and Exemptions) Rules 1992 is amended by inserting after sub-rule (3) the following new sub-rules -

“(4) Subject to sub-rule (5), any interest up to and including a maximum of £2000 paid by a person, or his wife living with him, on a loan, or loans, to defray money applied in constructing or purchasing a garage or parking bay in Gibraltar shall, at the election of the person by whom the interest was paid, be deducted from the assessable income of that person, or his wife, or both in proportion of 50% each:

Provided that the aggregate of the loans in respect of which relief on interest is claimed under this rule shall not exceed either the purchase price or construction price of the garage or parking bay, as the case may be.

- (5) Sub-rule (4) shall not apply -
- (a) where the seller and purchaser are the husband and his wife and either sells to the other ;
 - (b) where the purchasers are trustees of a settlement and the seller is the settlor or the wife or husband of the settlor and it appears that the main purpose of the purchase is to obtain relief in respect of interest on the loan;
 - (c) where in the opinion of the Commissioner the price substantially exceeds the value of the interest in the garage or parking bay, as the case may be, or the cost of construction thereof; or
 - (d) where the purchaser obtains the legal estate of the garage or parking bay constructed or purchased by a loan in respect of which the purchaser claims relief on interest payments in accordance with sub-rule (4) and either -
 - (i) he sells or disposes (other than by way of mortgage) within three years of obtaining the legal estate of his interest therein; or
 - (ii) he fails or ceases to use such garage or parking bay as a garage or parking bay to store or park a motor vehicle within twelve months of obtaining the legal estate,

and if the provisions of sub-rule (4) have been applied contrary to the provisions of this sub-rule in any year of assessment, the Commissioner may make an amended or additional assessment to bring the amounts of such a deduction to charge in accordance with the provisions of section 74.

(6) For the purposes of sub-rule (5) a motor vehicle is a motor vehicle other than a motor cycle which is in the ownership of the person, or his wife living with him, by whom a deduction of interest is claimed and is for his or her or their personal use.”.

Dated this 31st day of August, 1995.

By Command,

M. J. Robinson,

Deputy Governor.