

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 3,145 of 13th January, 2000

LEGAL NOTICE NO. 5 OF 2000

INCOME TAX ORDINANCE

**INCOME TAX (ALLOWANCES, DEDUCTIONS AND
EXEMPTIONS) RULES 1992 (AMENDMENT) RULES 2000**

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

Title and commencement.

1. These Rules may be cited as The Income Tax (Allowances, Deductions and Exemptions) Rules 1992 (Amendment) Rules 2000 and shall be deemed to have come into effect on the 1st July 1999.

Amendments to the Income Tax (Allowances, Deductions And Exemptions) Rules 1992.

2. The Income Tax (Allowances, Deductions and Exemptions) Rules 1992 shall be amended by inserting after rule 5B the following rule -

“Deductions for vehicles to which rule 5A and 5B do not apply.

5C.(1) Subject to sub-rule (4), where -

- (a) a person carrying on any trade, business, profession or vocation incurs in any year of assessment capital expenditure for the provision of vehicles for the purposes of producing income from that trade, business, profession or vocation; and
- (b) in consequence of his incurring that expenditure, the vehicles belong to him at some time during the year of assessment -

then for the purposes of ascertaining the assessable income of that person from that trade, business, profession or vocation, there shall be deducted from his income for that year 25% of

the whole amount of the said capital expenditure, and an additional 25% in respect of the subsequent three years of assessment.

(2) Were any such vehicles are so used for the purpose of a trade, business or profession on such terms that the burden of the wear and tear falls on the user and not on the owner thereof, the former person shall, in such cases, be entitled to the deduction.

(3) No deduction shall be allowed under this rule if the deduction will exceed the written down value.

(4) In the case of the expenditure by any person engaged in any trade, business, profession or vocation of any sum in replacing any vehicles which was used or employed in such trade, business, profession or vocation, and which has become obsolete, an amount equivalent to the written down value of the vehicle replaced, less any sum realised or likely to be realised by the sale thereof, or recoverable under any insurance or indemnity, or the cost of the new vehicles, whichever is the less;

Provided that where the sum realised or likely to be realised under the provisions of this sub-rule is greater than the written down value, there shall be no deduction allowed, and the amount by which the sum realised or likely to be realised exceeds the written down value shall be liable to tax.

(5) Nothing in this rule shall serve to operate in respect of expenditure incurred prior to the 1st July 1999, in which case the provisions of rule 5(1)(c) shall apply in the same manner as prior to the 1st July 1999.

(6) In this rule, "vehicles", means motor vehicles to which rule 5A or 5B do not apply."

Dated this 13th day of January, 2000.

By Command,

P. SPELLER,

Deputy Governor.

