

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 3312 of 7 November, 2002

LEGAL NOTICE NO. 84 OF 2002

INCOME TAX ORDINANCE

**INCOME TAX (ALLOWANCES, DEDUCTIONS AND
EXEMPTIONS) RULES 1992 (AMENDMENT) RULES 2002**

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

Title and commencement.

1.(1) These Rules may be cited as the Income Tax (Allowances, Deductions and Exemptions) Rules 1992 (Amendment) Rules 2002.

(2) Rule 2 shall be deemed to have come into effect on 1 July 2001.

(3) Rule 3 shall be deemed to have come into effect on 1 July 2002.

Amendments to the Income Tax (Allowances, Deductions And Exemptions) Rules 1992 coming into force on 1 July 2001.

2. The Income Tax (Allowances, Deductions And Exemptions) Rules 1992 shall be amended by inserting after rule 16A the following rule –

“Low Income Earner’s Tax Credit.

16B.(1) This rule shall apply to an individual whose assessable income is no more than £7000 in any year of assessment.

(2) An individual to whom this rule applies may claim a tax credit of £100 by way of deduction on his tax liability.

(3) Where an individual’s tax liability does not exceed £100, his tax credit shall be limited to the amount of the liability.

(4) A deduction under this rule shall be reduced by one 12th for each complete calendar month the individual is not resident in Gibraltar, save where the assessable income includes a pension accruing in or derived from Gibraltar.

(5) This rule does not apply to an individual who has made an election under rule 25.

(6) A claim under sub-rule (1) shall be in such form as the Commissioner shall require.”.

Amendments to the Income Tax (Allowances, Deductions And Exemptions) Rules 1992 coming into force on 1 July 2002.

3.(1) The Income Tax (Allowances, Deductions And Exemptions) Rules 1992 shall be amended in accordance with the provisions of this rule.

(2) Rule 2 shall be amended as follows–

- (a) the existing provision shall be designated sub-rule “(1)”;
- (b) the following shall be inserted after sub-rule (1) –

“(2) For the purposes of sub-rule 3(23A), “savings” means the following, that is to say –

- (a) dividends arising from investments quoted in a stock exchange recognised by the Commissioner for the purposes of rule 3 (23A),
- (b) interest paid directly or indirectly–
 - (i) by banks, building societies or other financial services institutions licensed in Gibraltar or in any other jurisdiction recognised by the Commissioner for the purposes of rule 3(23A) to undertake deposit-taking or investment business,

- (ii) arising from investments quoted on a stock exchange recognised by the Commissioner for the purposes of rule 3(23A),
- (iii) the Gibraltar Government Savings Bank.”.

(3) Rule 3 shall be amended by substituting for paragraphs (22) and (23) the following paragraphs –

“(22) The first £600 paid or credited to any company in respect of interest on deposit in the Government Savings Bank in any basis period for any year of assessment.

(23) Any interest not exceeding in the aggregate the sum of £600 paid or credited to any company on deposits in any one or more banks or building societies incorporated, registered or recognised in Gibraltar in any basis period for any year of assessment.

(23A) Any savings not exceeding in the aggregate the sum of £5000 paid or credited to any individual and any savings not exceeding in the aggregate the sum of £5000 paid or credited to the spouse of any individual in any basis period for any year of assessment.”.

(4) Rule 6 shall be amended by substituting for the figure “£2300” in the two places where it occurs the figure “£2370”.

(5) Rule 7 shall be amended by substituting for the figure “£2150” in the 2 places where it occurs the figure “£2215”

(6) Rule 7A shall be amended in paragraph (1) by substituting for the figure “£1350” the figure “£1390”.

(7) Rule 8 shall be amended in sub-rule (1)(c) and (4) by substituting for the figure “£800” the figure “£825”.

(8) Rule 9 shall be amended as follows–

- (a) by substituting for the figure “£900” where it occurs the figure “£930”;

- (b) by substituting for the figure “£750” where it occurs the figure “£775”.
- (9) Rule 12 shall be amended by substituting for the figure “£2150” where it occurs the figure “£2215”.
- (10) Rule 14A shall be amended by substituting for the figure “£650” in all instances where it appears, the figure “£850”.
- (11) Rule 15 shall be amended by substituting for the figure “£310”, in all instances where it appears, the figure “£320”.
- (12) Rule 16 shall be amended as follows–
- (a) by substituting for the figure “£780” where it occurs the figure “£805”; and
 - (b) by substituting for the figure “£550” where it occurs the figure “£570”.
- (13) Rule 16A shall be amended by inserting after sub-paragraph (5) the following sub-paragraph–
- “(6) In the application of sub-rule (2) on or after 1 July 2002, for the figure “£7,600” there shall be substituted the figure “£7,840”
- (14) Rule 16B shall be amended as follows–
- (a) in sub-rule (1), by substituting for the figure “£7000” the figure “£8000”;
 - (b) in sub-rule (2) and (3), by substituting for the figure “£100” the figure “£130”;
- (15) Rule 17 shall be amended by substituting for the figure “£500”, the figure “£515”.
- (16) Rule 18 shall be amended as follows–
- (a) by substituting for the figure “£2300” where it occurs the figure “£2370”;

- (b) by substituting for the figure “£105” where it occurs in the first paragraph the figure “£110”;
- (c) by substituting for the figure “£2145” where it occurs in subparagraph (a) the figure “£2210”;
- (d) by substituting for the figure “£155” where it occurs in subparagraph (d) the figure “£160”.

(17) Rule 20A shall be amended by substituting for the figure “£300”, in all instances where it appears, the figure “£500”.

Dated the 7th day of November, 2002.

By Command,

D G BLUNT,

Deputy Governor.