

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 3487 of 11 August, 2005.

LEGAL NOTICE NO. 120 OF 2005.

INCOME TAX ORDINANCE

**INCOME TAX (ALLOWANCES, DEDUCTIONS AND
EXEMPTIONS) (AMENDMENT) RULES 2005**

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) (Amendment) Rules 2005 and shall be deemed to have come into force on 1 July 2005.

Amendment of the Income Tax (Allowances, Deductions and Exemptions) Rules 1992.

2.(1) The Income Tax (Allowances, Deductions and Exemptions) Rules 1992 are amended in accordance with the provisions of this section.

(2) Rule 2 is amended by revoking sub-rule (2).

(3) Rule 3 is amended by revoking sub-rule (22), (23), (23A), (24), (25), (32) and (33).

(4) Rule 5 is amended by inserting after sub-rule (1)(i) the following paragraph—

“(j) in the case of a company which is an insurance company, there shall be allowed a deduction in respect of a reserve for claims incurred but not yet reported to the extent that such reserve is accepted to be reasonable by the Commissioner.”.

(5) Rule 6 is amended by substituting for the figure “£2505” in the two places where it occurs the figure “£2580”.

(6) Rule 7 is amended as follows–

- (a) sub-rule (1)(c) is amended by substituting for “£2345” where it occurs, “£2415”;
- (b) the proviso to sub-rule (1) is amended by substituting for “£2345”, “£2415”;
- (c) sub-rule (2) is amended by substituting for “£2505”, “£2580”.

(7) Rule 7A is amended in sub-rule (1) by substituting for “£1470”, “£2500”.

(8) Rule 8 is amended in sub-rule (1)(c) and (4) by substituting for “£880”, “£910”.

(9) Rule 9 is amended as follows–

- (a) for “£985”, there is substituted “£1015”;
- (b) the words “if the child is the first child for whom he may claim a deduction and a further deduction of £820” are deleted;
- (c) the word “other” where it appears between the words “each” and “child” are deleted.

(10) Rule 12 is amended by substituting for “£2345”, “£2415”.

(11) Rule 14A is amended by substituting for “£905”, “£935”.

(12) Rule 15 is amended by substituting for “£340” in the two places where it occurs “£350”.

(13) Rule 16 is amended by inserting after sub-rule (3) the following sub-rule–

- “(4) No individual shall be entitled to a deduction under this rule on or after 1 July 2005 who did not qualify for such a deduction on 30 June 2005 by virtue of being married with a

wife aged 65 years or more living with him or wholly maintained by him”.

(14) Rule 16A is amended as follows–

- (a) the title is amended by deleting the words “on low income”;
- (b) sub-rules (2) and (4) to (8) are revoked;
- (c) by inserting after sub-rule (1) the following sub-rule–

(2) An individual to whom sub-rule (1) applies shall be entitled to claim a deduction from the amount of his assessable income equal to the difference between £10,000 and the total of–

- (a) the sum of £2580 under rule 6, and
- (b) the sum of £2415 under rule 7.”.

(15) Rule 17 is amended by substituting for “£550”, “£570”.

(16) Rule 18 is amended as follows–

- (a) by substituting for “£2505”, “£2580”;
- (b) by substituting for “£120” where it occurs in the first paragraph “£125”;
- (c) by substituting for “£2335” where it occurs in sub-paragraph (a) “£2405”;
- (d) by substituting for “£170” where it occurs in sub-paragraph (d) “£175”.

(17) Rule 20A is amended by substituting for “£1000”, “£1030”.

(18) Rule 26 is amended as follows–

- (a) for the existing heading there shall be substituted “Double taxation relief”;

- (b) the words “A relevant territory” where they first appear in sub-rule (1) are substituted by the words “another jurisdiction”;
- (c) the words “relevant territory”, in all instances where they appear (other than in (b) above), are substituted by the words “other jurisdiction”;
- (d) in sub-rule (1), all words commencing with the words “being one of” and ending with the word “Commonwealth” are deleted.

Dated this 11th day of August, 2005.

By Command,
P R BARTON,
Deputy Governor.

