

**SECOND SUPPLEMENT TO THE GIBRALTAR  
GAZETTE**

**No. 4530 of 20 December, 2018**

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LEGAL NOTICE NO.282 OF 2018.

**INCOME TAX ACT 2010**

**INCOME TAX (ALLOWANCES, DEDUCTIONS AND  
EXEMPTIONS) (AMENDMENT No. 2) RULES 2018**

In exercise of the powers conferred upon him by sections 24, 25 and 72 of the Income Tax Act 2010, and all other enabling powers, the Minister has made the following Rules–

**Title.**

1. These Rules may be cited as the Income Tax (Allowances, Deductions and Exemptions) (Amendment No. 2) Rules 2018.

**Commencement.**

2. These rules shall be deemed to have come into operation on the 1 July 2018.

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

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

(2) Rule 3(46) is amended by substituting “£5,155” with “£5,285”.

(3) Rule 6(1) is amended by substituting “£3,300” with “£3,385”.

(4) Rule 7(1) is amended by substituting “£3,300” with “£3,385” in both places it appears.

(5) Rule 8 is amended by substituting “£1,135” and “£997” with “£1,165” where they appear respectively.

(6) Rule 9 is amended by substituting “£1,290” with “£1,325”.

- (7) Rule 12 is amended by substituting “£5,435” with “£5,575”.
- (8) Rule 14A(1) is amended by substituting “£5,160” with “£5,290”.
- (9) Rule 16A(2) is amended by substituting-
- (a) “£12,200” with “£12,370”; and
  - (b) “£3,300” with “£3,385” in both places it appears.
- (10) Rule 16B(1) and (2) is amended by substituting “£11,150” and “£10,500” with “£11,200” where they appear respectively.
- (11) Rule 16C(1) and (2) is amended by substituting “£4,188” and “£3,988” with “£4,273” where they appear respectively.
- (12) Rule 16E is amended –
- (a) in sub-rule (1) by substituting “11,150” with “£11,200”; and
  - (b) by substituting subrules (2) and (3) with the following-
- “(2) Subject to subrule (3) below, an individual who has income of more than £11,200 but does not exceed £19,712, shall have his assessed liability to tax reduced by way of relief (reduced taper relief) determined by the formula –
- $$T \text{ (reduced taper relief)} = T_0 - [0.4 \times (I - L)]$$
- Where –
- T is the reduced taper relief available on the amount or value of assessable income
- I is the amount or value of assessable income
- L is the lowest figure of the applicable income range
- T<sub>0</sub> is the full taper relief available on the lowest figure of the income range.

(3) For the purposes of subrule (2) above –

(a) where an individual has income exceeding £11,200 but does not exceed £12,541 (income range), L is £11,151 and T0 is £536.40;

(b) where an individual has income exceeding £17,500 but does not exceed £17,661 (income range), L is £17,501 and T0 is £64.40;

(c) where an individual has income exceeding £18,500 but does not exceed £18,678 (income range), L is £18,501 and T0 is £71.20;

(d) where an individual has income exceeding £19,500 but does not exceed £19,712 (income range), L is £19,501 and T0 is £84.80.”.

(13) Rule 17 is amended by substituting “£5,155” with “£5,285”.

(14) Rule 18 is amended by substituting –

(a) “£3,300” with “£3,385”;

(b) “£210” with “£215”;

(c) “£2,985” with “£3,060”; and

(d) “£315” with “£325”,

where they appear respectively.

(15) Rule 20A(1) is amended by substituting “£5,155” with “£5,285”.

Dated 20th December, 2018.

F R PICARDO,  
Minister with responsibility for public finance.

**EXPLANATORY MEMORANDUM**

The Income Tax (Allowances, Deductions & Exemptions) Rules, 1992 are amended in order to give effect to the Government's budget measures of 2018.