

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE
No. 3675 of 11 September, 2008**

LEGAL NOTICE NO.66 OF 2008.

INCOME TAX ACT

**INCOME TAX (DEDUCTION OF APPROVED EXPENDITURE ON
PREMISES IN TAX DEDUCTIBLE PROPERTY ZONE)
(AMENDMENT) RULES 2008**

In exercise of the powers conferred on me by section 37A of the Income Tax Act I have made the following Rules—

Title and commencement.

1. These Rules may be cited as the Income Tax (Deduction of Approved Expenditure on Premises in Tax Deductible Property Zone) (Amendment) Rules 2008 and shall be deemed to have come into operation on 1 July 2007.

Amendment to the Income Tax (Deduction of Approved Expenditure on Premises in Tax Deductible Property Zone) Rules 2007.

2.(1) In the Income Tax (Deduction of Approved Expenditure on Premises in Tax Deductible Property Zone) Rules 2007, the following new rule shall be inserted after rule 7—

“Restriction on entitlement to the deduction under these Rules.

- 8.(1) An individual who elects to be chargeable under the Gross Income Based System for the purposes of rule 3A of the Rates of Tax Rules, shall not be entitled to any deduction under these Rules.
- (2) An individual who has a spouse that has elected to be chargeable under the Gross Income Based System shall be entitled to claim an amount not exceeding 50 per cent of the deduction under these Rules, unless—
 - (a) the individual would (but for this subrule) be entitled for the year of assessment commencing 1 July 2007

and for any subsequent year of assessment to a deduction under these Rules; and

- (b) either—
- (i) the individual had claimed on the appropriate form prescribed by the Commissioner for a deduction under these Rules and such claim had been made and submitted to the Commissioner on or before 30 June 2007 in respect of the year of assessment commencing 1 July 2006; or
 - (ii) the spouse had claimed on behalf of the individual on the appropriate form prescribed by the Commissioner for a deduction under these Rules and such claim had been made and submitted to the Commissioner on or before 30 June 2007 in respect of the year of assessment commencing 1 July 2006,

in which case, the individual in relation to the year of assessment commencing 1 July 2007 and for any subsequent year of assessment shall be entitled to the deduction.”.

Dated 11th September, 2008.

P R CARUANA,

Minister with responsibility for Public Finance.

EXPLANATORY MEMORANDUM

These Rules amend the Income Tax (Deduction of Approved Expenditure on Premises in Tax Deductible Property Zone) Rules 2007 so as to make necessary changes in respect of those who are being taxed under the Gross Income Based System, or whose spouse is being so taxed.