

# Income Tax A18 [1991]



GUYANA

## ACT No. 9 of 1991 INCOME TAX (AMENDMENT) ACT 1991

I assent.

*H.D. Hoyle,*  
President.

1991—

04—22

### ARRANGEMENT OF SECTIONS

#### SECTION

1. Short title and commencement.
2. Amendment of section 15 of the Principal Act.
3. Amendment of section 16 of the Principal Act.
4. Repeal and re-enactment of section 20 of the Principal Act.
5. Repeal.
6. Amendment of section 34 of the Principal Act.
7. Amendment of section 34B of the Principal Act.
8. Amendment of section 35 of the Principal Act.

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9. Amendment of section 35A of the Principal Act.
10. Repeal and re-enactment of section 36 of the Principal Act.
11. Amendment of section 39 of the Principal Act.
12. Amendment of section 49 of the Principal Act.
13. Amendment of section 60 of the Principal Act.
14. Amendment of section 75 of the Principal Act.
15. Amendment of the Third Schedule to the Principal Act.

AN ACT to amend the Income Tax Act.

A.D. 1991

Enacted by the Parliament of Guyana:-

Short title and commencement.  
Cap. 81:01

1. This Act which amends the Income Tax Act may be cited as the Income Tax (Amendment) Act 1991 and shall come into operation with respect to and from the year of assessment commencing on 1st January, 1992.

Amendment of section 13 of the Principal Act.

2. Section 13 of the Principal Act is hereby amended by the deletion of paragraph (v).

Amendment of section 16 of the Principal Act.

3. Section 16(1) of the Principal Act is hereby amended by the deletion of paragraph (i).

Repeal and re-enactment of section 20 of the Principal Act.

4. Section 20 of the Principal Act is hereby repealed and the following section substituted therefor —

"Deductions 20. In ascertaining the chargeable income of an individual for any year of assessment there shall be allowed a deduction of forty-eight thousand dollars or one-third of that individual's total income whichever is greater:  
Provided that the deduction of forty-eight thousand dollars shall be apportioned according to the individual's earning period and allowed accordingly."

5. Sections 21, 21A, 22, 23, 24, 25, 26, 27, 28 and 34A of the Principal Act are hereby repealed.

6. Section 34 of the Principal Act is hereby amended as follows —

Amendment of section 34 of the Principal Act.

- (a) in subsection (1) by the deletion of the words ", unless an election is made under section 34A,";
- (b) by the deletion of subsections (2) and (3).

7. Section 34B of the Principal Act is hereby amended by the deletion of the words "and 34A".

Amendment of section 34B of the Principal Act.

8. Section 35 of the Principal Act is hereby amended by the deletion of subsection (1) and the substitution therefor of the following subsection —

Amendment of section 35 of the Principal Act.

"(1) In ascertaining the chargeable income of any person (other than an individual) who has, during the year preceding the year of assessment, donated any sum of money or other property held by that person for sale in the ordinary course of business, to the Government of Guyana for public purposes, or to any prescribed institution or organisation of a national or international character in Guyana or elsewhere, there shall be deducted from the amount of the income of that person ascertained apart from this subsection (whether so ascertainable in conformity with section 29 or otherwise) so much thereof as is not in excess of the amount of money or the value of other property, donated as aforesaid."

9. Section 35A of the Principal Act is hereby amended as follows —

Amendment of section 35A of the Principal Act.

- (a) by the deletion of subsection (1);
- (b) in subsection (2), by the insertion immediately after the words "where any person" of the words "(other than an individual)".

10. Section 36 of the Principal Act is hereby repealed and the following section substituted therefor —

Repeal and re-enactment of section 36 of the Principal Act.

**Rates of tax.** 36. The tax upon the chargeable income of every person other than a company shall be charged at the following rates —

- For every dollar on the first \$50,000.....20¢
- For every dollar on the next \$50,000.....30¢
- For every dollar on the remainder of the chargeable income.....40¢."

Amendment of  
section 39 of the  
Principal Act.

11. Section 39 of the Principal Act is hereby amended in the following respects —

- (a) in subsection (1),
  - (i) in paragraph (b), by the insertion immediately after the words "on any gross payment" of the words "not being interest earned on savings accounts";
  - (ii) by the insertion after paragraph (b) of the following paragraph —
    - "(c) on gross payment, being interest earned on savings accounts held at commercial banks and other financial institutions by any person whether resident in Guyana or not.";
- (b) by the deletion of subsection (6) and the substitution therefor of the following subsection —
  - "(6) Notwithstanding section 5 —
    - (a) where a distribution that is subject to withholding tax is made to any person not resident in Guyana or to a company resident in Guyana; or
    - (b) where a payment is subject to withholding tax,
 income tax under section 5 or corporation tax shall not be payable in respect of such distribution or payment."

Amendment of  
section 49 of the  
Principal Act.

12. Section 49(1) of the Principal Act is hereby amended by the substitution for the semicolon at the end of a full stop and by the deletion of the proviso.

Amendment of  
section 60 of the  
Principal Act.

13. Section 60(1) of the Principal Act is hereby amended by the substitution for paragraphs (a) and (aa) of the following paragraph —

- "(a) an individual whose income is not less than forty-eight thousand dollars; or".

Amendment of  
section 75 of the  
Principal Act.

14. Section 75 of the Principal Act is hereby amended as follows—

- (a) by the deletion of subsection (3), other than the provisos, and the substitution therefor of the following subsection —

"(3) Notwithstanding anything to the contrary in this Act, where a company has, directly or indirectly, at anytime before the end of the year immediately preceding the year of assessment, whether before or after the coming into effect of this subsection transferred, assigned or otherwise disposed of to any person otherwise than for valuable and sufficient consideration the right to income that would if the right thereto had not been so transferred, assigned or otherwise disposed of be included in ascertaining its chargeable income for the year immediately preceding the year of assessment, because the income transferred, assigned or otherwise disposed of would have been received or receivable by it in or in respect of that year, such income shall be included in ascertaining the chargeable income of the company, and not the chargeable income of any other person, for that year, unless the income is from property and the company has also transferred, assigned or otherwise disposed of such property to that person, or unless the income has been transferred, assigned or otherwise disposed of for a period exceeding two years for the benefit of any ecclesiastical, charitable or educational institution, organisation or endowment of a public character within Guyana, or elsewhere as may be approved by the Minister for the purposes of section 13(d)."

- (b) In the first proviso to subsection (3) add a full-stop after the words "(including the transferred income)", delete all the words thereafter and for the word "his" substitute the word "the".

15. The Third Schedule to the Principal Act is hereby amended by the substitution for paragraph 2 of the following paragraph —

Amendment of  
the Third  
Schedule to the  
Principal Act.

"2. Withholding tax on payments shall be at the rate of ten percent except in the case of payment being interest where the rate payable shall be fifteen percent."

*Passed by the National Assembly on 25th March, 1991.*

*M.B. Henry,*  
Clerk of the National Assembly (AG).

(Bill No. 7/1991)