

PARLIAMENT OFFICE,
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The following Bill which will be introduced in the National Assembly is published for general information.

F. A. Narain,
Clerk of the National Assembly.



GUYANA

BILL No. 1 of 1987

FISCAL ENACTMENTS (AMENDMENT) BILL 1987

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement.
2. Amendment of section 96 of the Evidence Act.
3. Amendment of section 11 of the Tax Act.
4. Amendment of section 12 of the Tax Act.
5. Repeal of the National Development Surtax Act.
6. Amendment of section 2 of the Income Tax Act.
7. Amendment of section 13 of the Income Tax Act.
8. Amendment of section 20 of the Income Tax Act.
9. Amendment of section 21 of the Income Tax Act.
10. Amendment of section 21A of the Income Tax Act.
11. Amendment of section 22 of the Income Tax Act.
12. Amendment of section 23 of the Income Tax Act.
13. Repeal of sections 34 and 34A and re-enactment as sections 34, 34A and 34B of the Income Tax Act.
14. Repeal and re-enactment of section 36 of the Income Tax Act.
15. Amendment of section 39 of the Income Tax Act.
16. Amendment of section 60 of the Income Tax Act.
17. Amendment of the Capital Gains Tax Act.
18. Amendment of the Property Tax Act.

A BILL

Intituled

AN ACT to amend the Evidence Act, the Tax Act, the Income Tax Act, the Capital Gains Tax Act and the Property Tax Act, and to repeal the National Development Surtax Act.

A. D. 1987 Enacted by the Parliament of Guyana :—

Short title
and com-
mencement.

1. () This Act may be cited as the Fiscal Enactments (Amendment) Act 1987.

Cap. 80:10

(2) The repeal of the National Development Surtax Act shall be deemed to have come into operation on 1st January, 1987.

Cap. 81:01

(3) The amendments made to the Income Tax Act, the Capital Gains Tax Act and the Property Tax Act shall come into operation with respect to and from the year of assessment commencing on 1st January, 1988.

Cap. 81:20
Cap. 81:21

Amendment
of section 96
of the Evi-
dence Act.
Cap. 5:03

2. Section 96(4) of the Evidence Act is hereby amended by the substitution for the words "a fee of one dollar" of the words "such fee as the Minister may by order prescribe".

Amendment
of section 11
of the Tax
Act.
Cap. 80:01

3. Section 11(3) of the Tax Act is hereby amended by the substitution for the words "two hundred fifty thousand" of the words "one million".

Amendment
of section 12
of the Tax
Act.
Cap. 80:01

4. Section 12(2) of the Tax Act is hereby amended by the substitution for the words "five hundred thousand" of the words "one million".

Repeal of
the National
Development
Surtax Act.
Cap. 80:10

5. The National Development Surtax Act is hereby repealed

Amendment
of section 2
of the In-
come Tax
Act.
Cap. 81:01
Amendment
of section 13
of the In-
come Tax
Act.
Cap. 81:01

6. Section 2 of the Income Tax Act is hereby amended by the deletion from the definition of "incapacitated person" of the words "married woman,".

7. Section 13 of the Income Tax Act is hereby amended in the following respects —

(a) by the insertion after paragraph (u) of the following paragraph as paragraph (v) —

"(v) the income derived as interest on moneys deposited in any savings account of any individual in Guyana, up to an amount not exceeding five hundred dollars;"

(b) by the deletion of paragraph (x).

8. Section 20 of the Income Tax Act is hereby amended in the following respects —

Amendment
of section 20
of the In-
come tax
Act.
Cap. 81:01

- (a) by the substitution for the word "deducted" of the word "allowed";
- (b) in paragraph (a), by the substitution for the words "one thousand two hundred and fifty" of the words "two thousand five hundred";
- (c) in paragraph (b), by the deletion of the words "or arising to the individual from any pension, super-annuation or other allowance or deferred pay given in respect of his past services".

9. Section 21 of the Income Tax Act is hereby amended in the following respects —

Amendment
of section 21
of the In-
come tax
Act.
Cap. 81:01

- (a) by the substitution for the words "one thousand two hundred and fifty" wherever they occur, of the words "two thousand five hundred";
- (b) in paragraph (a), by the insertion after the words "by him," of the words "not being a wife whose income is charged as of an individual under section 34,";
- (c) in paragraph (c), by the substitution for the semicolon of a colon;
- (d) by the deletion of paragraph (d).

10. Section 21A of the Income Tax Act is hereby amended in the following respects —

Amendment
of section 21A
of the In-
come tax
Act.
Cap. 81:01

- (a) by the substitution for the words "one thousand two hundred and fifty" wherever they occur, of the words "two thousand five hundred";
- (b) in paragraph (a), by the insertion after the words "he had" of the words "no wife but had" and after the words "by him," of the words "not being a reputed wife whose income is charged as of an individual under section 34,";
- (c) by the deletion of paragraph (b).

Amendment
of section 22
of the In-
come tax
Act.
Cap. 81:01

11. Section 22(1) of the Income Tax Act is hereby amended by the substitution for the words "five hundred" wherever they occur, of the words "one thousand".

Amendment
of section 23
of the In-
come tax
Act.
Cap. 81:01

12. Section 23(1) of the Income Tax Act is hereby amended by the substitution for the words "three hundred and seventy-five" of the words "one thousand" and for the words "five hundred" wherever they occur, of the words "one thousand".

Repeal of
sections 34
and 34A and
re-enactment
as sections
34, 34A and
34B of the
Income Tax
Act.
Cap. 81:01

13. Sections 34 and 34A of the Income Tax Act are hereby repealed and the following sections substituted therefor —

34. (1) The income of a married woman living with her husband shall, unless an election is made under section 34A, be charged as of an individual in her name.

(2) Any deduction under section 22(1) shall, where the wife is separately charged under this section, be allowed to the husband unless the husband and wife make a joint election stating the extent to which any deduction thereunder shall be allowed in ascertaining their chargeable income in which case the deduction shall be allowed in the manner elected.

(3) An election under subsection (2) shall be made by notice in writing to the Commissioner on or before 31st day of March in the year next following that to which the election relates:

Provided that the Commissioner may, on reasonable cause being shown to him whereby the election was prevented from taking place by that date, extend the time for making the election to such later date as he may specify in writing.

(4) Where any income of a wife living with her husband arises or accrues to her from or in respect of any trade, business, profession, office employment or vocation carried on or exercised —

- (a) by her husband; or
- (b) by a close company;
- (c) jointly by her husband and any partner of his including herself,

then such income shall be treated for the purpose of subsection (1) as the income of the wife only if, when and to the extent in respect of which —

- (i) she or her husband satisfies the Commissioner that it is commensurate with work done by the wife wholly and exclusively with the object of enabling her husband, the close company or the partners, as the case may be, to make a profit; and
- (ii) the Commissioner notifies both the husband and the wife in writing that he is so satisfied.

(5) Subsection (4) shall as it applies to any income in relation to a wife ~~mutatis mutandis~~ apply to any income in relation to a husband.

(6) In subsection (4) (b) "close company" has the same meaning as in the Schedule to the Corporation Tax Act. Cap. 81:03

(7) Where any income arises or accrues in any of the circumstances mentioned in subsection (4) or (5) —

- (a) the wife; and
- (b) her husband, the close company or the partners, as the case may be,

shall deliver or cause to be delivered to the Commissioner, not later than 31st day of March in the year next following that in which the income arose or accrued, a written notice stating that the income arose or accrued in such circumstances, and any person who fails to comply with this subsection shall be guilty of an offence against this Act.

34A. (1) The income of a married woman living with her husband shall, where the husband and wife jointly elect that their income shall be charged in the name of the husband, be deemed for the purposes of this Act to be the income of the husband, and shall be charged in the name of the husband: Election as to wife's income.

Provided that that part of the total amount of tax charged upon the husband which bears the same proportion to that total amount as the amount of the income of the wife bears to the amount of the total income of the husband and wife may, if necessary, be collected from the wife, notwithstanding that no assessment has been made upon her.

(2) An election under this section shall be made by notice in writing to the Commissioner at any time during the year preceding the year of assessment to which the election relates or not later than 31st day of March in the year of assessment:

Provided that the Commissioner may, on reasonable cause being shown to him whereby the election was prevented from taking place by that date, extend the time for making the election to such later date as he may specify in writing.

(3) Any election under this section that could have been made jointly with a spouse who has died may, within the period referred to in subsection (2), be made jointly with the deceased's personal representative.

Reputed
wife's
income.

34B. Sections 34 and 34A shall *mutatis mutandis* apply in the case of a reputed wife living with her reputed husband where the reputed husband has no wife living with and maintained by him."

Repeal and
re-enactment
of section 36
of the In-
come Tax
Act.
Cap. 81:01

14. Section 36 of the Income Tax Act is hereby repealed and the following section substituted therefor —

"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 of the first \$1,500 —	Nil
" " " " " next 1,500 —	10 cents
" " " " " " 1,500 —	15 "
" " " " " " 1,800 —	20 "
" " " " " " 2,000 —	30 "
" " " " " " 2,000 —	40 "
" " " " " " 3,000 —	45 "
" " " " " the remainder of the chargeable income	— 55 cents."

15. Section 39(1) (b) of the Income Tax Act is hereby amended by the deletion of the words "(other than a gross payment not being remitted out of Guyana)".

Amendment
of section 39
of the In-
come Tax
Act.
Cap. 81:01

16. Section 60(1) (a) of the Income Tax Act is hereby amended by the substitution for the words "one thousand, two hundred and fifty" of the words "four thousand".

Amendment
of section 60
of the In-
come Tax
Act.
Cap. 81:01

17. The Capital Gains Tax Act is hereby amended by the repeal of section 11 and by the substitution of the following section therefor —

Amendment
of the
Capital Gains
Tax Act
Cap. 81:20

"Charge of wife's capital gains" 11. The net capital gain of a married woman living with her husband shall be charged in her name."

18. The Property Tax Act is hereby amended by the repeal of section 11 and by substitution of the following section therefor —

Amendment
of the Pro-
perty Tax
Act.
Cap. 81:21

"Charge of wife's property." 11. The value of the net property of a married woman living with her husband for any year of assessment shall be charged in her name."

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Evidence Act, Cap. 5:03, the Tax Act, Cap. 80:01, the Income Tax Act, Cap. 81:01, the Capital Gains Tax Act, Cap. 81:20, and the Property Tax Act, Cap. 81:21, and to repeal the National Development Surtax Act, Cap. 80:10.

Clauses 3 and 4 of the Bill seek to amend sections 11 and 12 respectively of the Tax Act, Cap. 80:01, so as to increase the annual licence on pools and betting shops to one million dollars.

Clause 7 seeks to amend section 13 of the Income Tax Act, Cap. 81:01, so as to exempt from tax the first five hundred dollars of the total interest earned by an individual from savings account held in Guyana.

Clauses 8 to 11 (inclusive) seek to amend sections 20, 21, 21A and 22, respectively, of the Income Tax Act so as to increase by one hundred per cent the deductions allowed for residents, for wife maintenance or alimony, for a reputed wife or husband and for children ascertaining the chargeable income of an individual.

Clause 12 seeks to amend section 23 of the Income Tax Act so as to increase by over one hundred and sixty per cent the deductions allowed for dependent relatives in ascertaining the chargeable income of an individual.

Clause 13 seeks to repeal sections 34 and 34A and to re-enact those sections as sections 34, 34A and 34B of the Income Tax Act.

The new section 34 provides for separate assessments in respect of a married woman, unless the husband and wife jointly elect that the income of the wife be deemed to be that of her husband. Where the wife is separately assessed, the deductions under section 22 in respect of the same child shall be allowed to the husband unless the spouses make a joint election as to the extent to which such deductions shall be allowed in ascertaining the chargeable income of each spouse. Section 34 also seeks to set out certain conditions under which the income of a wife from business carried on by her husband, a close company or a partnership shall be treated as her income. The section applies these conditions in treating similarly derived income of a husband as his income.

The new section 34A seeks to provide that the income of a married woman living with her husband shall be deemed to be the income of the husband if she and her husband so jointly elect.

The new section 34B applies sections 34 and 34A to the case of a reputed wife living with her reputed husband.

Clause 14 seeks to repeal section 36 of the Income Tax Act and to substitute a new section therefor which provides new rates of tax bringing 'substantial relief to taxpayers.

Clause 15 seeks to provide for withholding tax to be paid whether or not the gross payment to a non resident is remitted out of Guyana.

Clause 16 seeks to amend section 60 of the Income Tax Act so as to provide that an individual whose income is not less than four thousand dollars does not have to file income tax returns.

Clause 17 seeks to amend the Capital Gains Tax Act, Cap. 81:20, by repealing section 11 thereof and substituting a new section therefor which provides that the net capital gain of a married woman living with her husband shall be charged in her name.

Clause 18 seeks to amend the Property Tax Act, Cap. 81:21, by repealing section 11 thereof and substituting a new section therefor which provides that the value of the net property of a married woman living with her husband for any year of assessment shall be charged in her name.

Bill No. 1/87.

W. A. L. H. Parris,
Deputy Prime Minister
Planning and Development
Performing the Functions
of the Ministry of Finance.