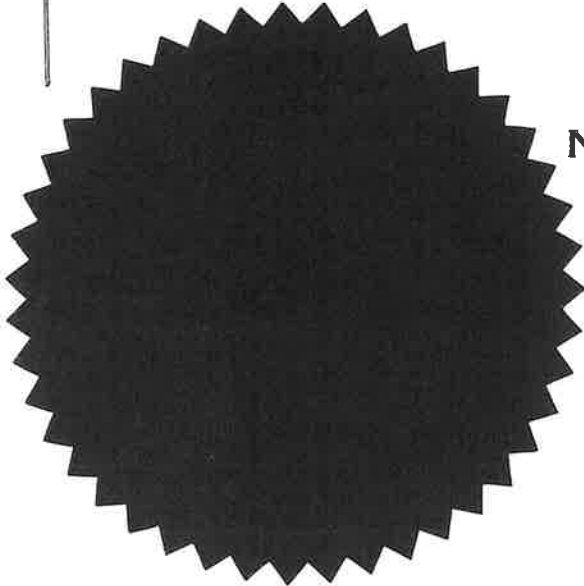


CERTIFICATE

In accordance with section 56(2) of the Jamaica (Constitution) Order in Council 1962, I hereby certify that this Bill shortly entitled "the Income Tax (Amendment) Act, 2019" is a Money Bill.

PEARNEL P. CHARLES, CD, MP, JP
Speaker.



No. 8 - 2019

I assent,

P.L. Allen

Governor-General.

30th day of August 2019

AN ACT to Amend the Income Tax Act to provide for an increase in the personal income tax threshold; to provide for an initial allowance on capital expenditure in respect of the purchase for renovation of industrial buildings; to give permanent effect to matters previously effected provisionally; and for connected matters.

[30th August 2019]

BE IT ENACTED by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same as follows:—

1. This Act may be cited as the Income Tax (Amendment) Act, 2019, and shall be read and construed as one with the Income Tax Act (hereinafter referred to as "the principal Act") and all amendments thereto.

Short title
and
construction.

Amendment
to section 13
of principal
Act.

2. Section 13 of the principal Act is amended by inserting next after subsection (1) the following—

“(1 A) Notwithstanding the provisions of subsection (1), in respect of the year of assessment 2016, with the exception of capital allowances and losses to which subsection (1)(e) and (h) relate, expenses and disbursements shall only be deducted in respect of the six-month period in which they were actually incurred.”.

Amendment
to section 30
of principal
Act.

3. Section 30(1)(a) of the principal Act is amended by—

(a) deleting sub-paragraph (xi) and substituting therefor the following—

- “ (xi) between the 1st January, 2016 and the 30th June, 2016—
For the first \$296,400.00 ... Nil
For every dollar of income exceeding \$296,400.00 ... 25 cents;
- (xii) between the 1st July, 2016 and the 31st December, 2016—
For the first \$500,136.00 ... Nil
For every dollar of income exceeding \$500,136.00 but not exceeding \$6,000,000.00 ... 25 cents
For every dollar of income exceeding \$6,000,000.00 ... 30 cents;
- (xiii) between the 1st January, 2017 and the 31st March, 2017—
For the first \$250,068.00 ... Nil
For every dollar of income exceeding \$250,068.00 but not exceeding \$1,500,000.00 ... 25 cents
For every dollar of income exceeding \$1,500,000.00 ... 30 cents;

- (xiv) between the 1st April 2017 and the 31st December, 2017,
 - For the first \$1,125,072.00 ... Nil
 - For every dollar of income exceeding \$1,125,072.00 but not exceeding \$4,500,000.00 ... 25 cents
 - For every dollar of income exceeding \$4,500,000.00 ... 30 cents;
- (xv) for any year of assessment commencing on the 1st January, 2018—
 - For the first \$1,500,096.00 ... Nil
 - For every dollar of income exceeding \$1,500,096.00 but not exceeding \$6,000,000.00 ... 25 cents
 - For every dollar of income exceeding \$6,000,000.00 ... 30 cents;”;

(b) inserting next after subsection (1)(aa), the following—

“(ab) for the purposes of subsection (1)(a), for the avoidance of doubt—

- (i) the income taxed at the rate of nil for the years of assessment 2016, 2017 and 2018 shall not exceed \$796,536.00, \$1,375,140.00 and \$1,500,096.00 respectively;
- (ii) in relation to sub-paragraph (xii), the income taxed at the rate of 30 cents for every dollar shall not apply to the first \$1,000,000.00 of income earned in each month arising between the 1st July, 2016, and the 31st December, 2016; and
- (iii) in relation to sub-paragraphs (xiii), (xiv) and (xv), the income taxed at the rate of 30 cents for every dollar shall not apply to the first \$500,000.00 of income earned in

each month during any period referred to in sub-paragraphs (xiii), (xiv) and (xv) in a year of assessment commencing on the 1st January 2017.”.

Amendment to section 67 of principal Act.

4. Section 67 (7)(a) of the principal Act is amended by deleting the words “\$507,312.00 for each year of assessment after 31st December, 2012,” and substituting therefor the words “; \$507,312.00 in respect of the years of assessment 2013 and 2014; \$557,232.00 in respect of the year of assessment 2015; in respect of the year of assessment 2016, \$296,400.00 for the period 1st January, 2016 to 30th June, 2016 and \$500,136.00 for the period 1st July, 2016 to 31st December, 2016; in respect of the year of assessment 2017, \$250,068.00 for the period 1st January, 2017 to 31st March, 2017 and \$1,125,072.00 for the period 1st April to 31st December, 2017; and \$1,500,096.00 for each year of assessment after the 31st December, 2017.”.

Amendment to section 68 of principal Act.

5. Section 68 of the principal Act is amended—

- (a) in the marginal note, by deleting the words “twenty-two thousand four hundred and sixty-four” and substituting therefor the words “seven hundred and ninety-six thousand five hundred and thirty-six”; and
- (b) by inserting immediately after the words “years of assessment 2010, 2011 and 2012” the words “; \$507,312.00 in respect of the years of assessment 2013 and 2014; \$557,232.00 in respect of the year of assessment 2015; in respect of the year of assessment 2016, \$296,400.00 for the period 1st January, 2016 to 30th June, 2016 and \$500,136.00 for the period 1st July, 2016 to 31st December, 2016; in respect of the year of assessment 2017, \$250,068.00 for the period 1st January, 2017 to 31st March, 2017 and \$1,125,072.00 for the period 1st April to 31st December, 2017; and \$1,500,096.00 for each year of assessment after the 31st December, 2017”.

Amendment to First Schedule to the principal Act.

6. The First Schedule to the principal Act is amended—

- (a) in Part I, by inserting in paragraph 2, the words “, purchase for renovation” immediately after the words “renovation, purchase”;

(b) in Part II by—

(i) deleting paragraph 1 and substituting therefor the following—

“ 1.—(1) Where an owner incurs capital expenditure on the construction, alteration, renovation, or purchase for renovation, of a building or structure which is to be an industrial building or structure occupied for the purposes of a trade carried on by that owner, there shall be made to that owner who incurred such expenditure for the year of assessment in that owner’s basis period for which such expenditure was incurred, an allowance (in this Part referred to as “an initial allowance”) equal to 20 *per centum*, thereof.

(2) An initial allowance in respect of a purchase for renovation under sub-paragraph (1) shall only be made to the owner, where the building or structure, upon the purchase for renovation, is brought into use as an industrial building or structure, during the first four years of assessment.

(3) An initial allowance made to an owner under sub-paragraph (2) shall be recovered, where—

- (a) at the end of the fourth year of assessment, the building or structure is not in use as an industrial building or structure for the purposes of a trade carried on by the owner;
- (b) the renovation referred to in sub-paragraph (2) is not completed within the first four years; or

- (c) the capital expenditure incurred in relation to the renovation referred to in sub-paragraph (2) is less than 80 *per centum* of the purchase cost of the building or structure.

(4) Notwithstanding anything in this paragraph, the initial allowance shall be recovered in respect of any expenditure if, when the building or structure comes to be used, it is not an industrial building or structure.”;

(ii) deleting from paragraph 3—

- (A) the words “or renovation” in sub-paragraph (1) and substituting therefor the words “, renovation or purchase for renovation”, and
- (B) the words “or renovation” in sub-paragraph (4) and substituting therefor the words “, renovation or purchase for renovation”;

(iii) deleting from paragraph 4(1), the words “or renovation” and substituting therefor the words “, renovation or purchase for renovation”.

Validation
and
indemnity.

7.—(1) Notwithstanding the Provisional Collection of Tax Act, the Income Tax Act, and anything to the contrary in any other enactment, the variation, imposition and collection of personal income tax during the period commencing on the 1st day of July, 2016, and ending on the date of the coming into operation of this Act, by the Government and persons acting on behalf of the Government, in good faith, during the period commencing on the 1st day of July, 2016, and ending on the date of the coming into operation of this Act, is declared to have been validly, properly and lawfully made and done to all intents and purposes and with effect as if authorized pursuant to the Income Tax Act.

(2) For the avoidance of doubt, any unpaid portion of personal income tax validated by this section is lawfully payable to the Commissioner General.

(3) Every person liable to be legally proceeded against on the ground that any of the acts referred to in subsection (1) was unauthorized, unlawfully done, or otherwise illegal or improper, for any such reason, is freed, acquitted, discharged and indemnified as well against The Queen's Most Excellent Majesty, Her Heirs and Successors as well as against all persons, whatsoever, from such liability.

Passed in the House of Representatives this 18th day of June, 2019 with three (3) amendments.

PEARNEL CHARLES, CD, MP, JP
Speaker.

Passed in the Senate this 28th day of June, 2019.

THOMAS TAVARES-FINSON, CD, QC, JP
President.

This printed impression has been carefully compared by me with the authenticated impression of the foregoing Act, and has been found by me to be a true and correct printed copy of the said Act.

Sgd. Heather E. Cooke
Clerk to the Houses of Parliament.

