

INCOME TAX (AMENDMENT) (NO. 3) ACT, 2015–23

Arrangement of Sections

1. Short title
2. Amendment of section 10 of Cap. 73
3. Amendment of section 12D of Cap. 73
4. Amendment of section 12E of Cap. 73
5. Amendment of section 12E.1 of Cap. 73
6. Amendment of section 12E.2 of Cap. 73
7. Amendment of section 12E.3 of Cap. 73
8. Amendment of section 12E.4 of Cap. 73
9. Amendment of section 12E.6 of Cap. 73
10. Amendment of section 12E.7 of Cap. 73
11. Amendment of section 12E.8 of Cap. 73
12. Amendment of section 12E.9 of Cap. 73
13. Amendment of section 12E.10 of Cap. 73
14. Amendment of section 23 of Cap. 73

15. Repeal of sections 23A to 23I of Cap. 73
16. Repeal of sections 23K and 23L of Cap. 73
17. Repeal of section 24A of Cap. 73
18. Repeal of sections 24C to 24F of Cap. 73
19. Amendment of section 36 of Cap. 73
20. Amendment of section 36C of Cap. 73
21. Repeal of section 37 of Cap. 73
22. Repeal of section 37D of Cap. 73
23. Repeal of section 37G of Cap. 73
24. Amendment of section 37H of Cap. 73
25. Repeal of section 37N of Cap. 73
26. Amendment of section 38B of Cap. 73
27. Amendment of section 42 of Cap. 73

BARBADOS

I assent
ELLIOTT F. BELGRAVE
Governor-General
9th September, 2015.

2015–23

An Act to amend the *Income Tax Act*, Cap. 73 to provide for the

- (a) reduction of the rates applicable to certain deductions claimed by corporations;
- (b) repeal of certain deductions in respect of group losses; and
- (c) repeal of certain deductions and allowances claimed by individuals.

[Commencement: 10th September, 2015]

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *Income Tax (Amendment) (No. 3) Act, 2015*.

Amendment of section 10 of Cap. 73

2. *Section 10 of the Income Tax Act, Cap. 73, in this Act referred to as the principal Act, is amended by deleting subsection (2).*

Amendment of section 12D of Cap. 73

3. *Section 12D of the principal Act, is amended, in subsection (1), by deleting the words “150 per cent ” and substituting the words “100 per cent”.*

Amendment of section 12E of Cap. 73

4. *Section 12E of the principal Act is amended, in subsection (1), by deleting the words “150 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.1 of Cap. 73

5. *Section 12E.1 of the principal Act is amended, in subsection (1),*
 - (a) *paragraph (a), by deleting the words “150 per cent ” and substituting the words “100 per cent”; and*
 - (b) *paragraph (b), by deleting the words “150 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.2 of Cap. 73

6. *Section 12E.2 of the principal Act is amended, in subsection (1), by deleting the words “120 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.3 of Cap. 73

7. *Section 12E.3 of the principal Act is amended, in subsection (1), by deleting the words “120 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.4 of Cap. 73

8. *Section 12E.4 of the principal Act is amended, in subsection (1), by deleting the words “150 per cent ” and substituting the words “100 per cent”.*

Amendment of section 12E.6 of Cap. 73

9. *Section 12E.6 of the principal Act is amended by deleting the words “150 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.7 of Cap. 73

10. *Section 12E.7 of the principal Act is amended, in subsection (1), by deleting the words “120 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.8 of Cap. 73

11. *Section 12E.8 of the principal Act is amended, in subsection (1), by deleting the words “120 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.9 of Cap. 73

12. *Section 12E.9 of the principal Act is amended, in subsection (1), by deleting the words “150 per cent” and substituting the words “100 per cent”.*

Amendment of section 12E.10 of Cap. 73

13. *Section 12E.10 of the principal Act is amended, in subsection (1), by deleting the words “150 per cent” and substituting the words “100 per cent”.*

Amendment of section 23 of Cap. 73**14. *Section 23 of the principal Act is amended***

- (a) in subsection (2)(b) by deleting the word “9th” and substituting the word “7th”; and*
- (b) by inserting immediately after subsection (3) the following:*

“(3A) With effect from the income year 2015, a loss carried forward in respect of income derived from rent of a residential property shall be carried forward and deducted in computing assessable income from the residential property of a person for the ensuing 7 income years.”.

Repeal of sections 23A to 23I of Cap. 73**15. *Sections 23A to 23I of the principal Act are repealed.*****Repeal of sections 23K and 23L of Cap. 73****16. *Sections 23K and 23L of the principal Act are repealed.*****Repeal of section 24A of Cap. 73****17. *Section 24A of the principal Act is repealed.*****Repeal of sections 24C to 24F of Cap. 73****18. *Sections 24C to 24F of the principal Act are repealed.*****Amendment of section 36 of Cap. 73****19. *Section 36 of the principal Act is deleted and the following is substituted:***

“Medical expenses

36. In calculating the taxable income for an income year of an individual who has attained 40 years of age and over, there shall be deducted from the assessable income of that individual, amounts expended, not exceeding \$750 for associated diagnostic services provided in Barbados by a registered laboratory, public hospital, private hospital or private clinic as recommended by a medical practitioner registered under the *Medical Registration Act*, Cap. 371.”.

Amendment of section 36C of Cap. 73

20. *Section 36C of the principal Act is deleted and the following is substituted:*

“Associations

36C. In calculating the taxable income for an income year of an individual, there shall be deducted from the assessable income of that individual subscription paid to

- (a) trade unions registered under the *Trade Unions Act*, Cap. 361, by members thereof, up to a limit in respect of each member of \$240 annually;
- (b) statutory associations of employees, by members thereof, up to a limit in respect of each member of \$240 annually,

whichever is the lesser.”

Repeal of section 37 of Cap. 73

21. *Section 37 of the principal Act is repealed.*

Repeal of section 37D of Cap. 73

- 22.** *Section 37D of the principal Act is repealed.*

Repeal of section 37G of Cap. 73

- 23.** *Section 37G of the principal Act is repealed.*

Amendment of section 37H of Cap. 73

- 24.** *Section 37H of the principal Act is amended by*
- (a) repealing subsection (2); and*
 - (b) deleting subsection (3) and substituting the following:*

“(3) A person may claim a deduction under subsection (1) in respect of residential property which that person owns, but does not occupy.”

Repeal of section 37N of Cap. 73

- 25.** *Section 37N of the principal Act is repealed.*

Amendment of section 38B of Cap. 73

- 26.** *Section 38B of the principal Act is amended by deleting subsections (9) and (10) and substituting the following:*

“(9) With effect from income year 2006, where in an income year an individual has income other than income from residential property, any excess allowances of that individual may only be deducted from residential property income where the allowances exceed the other income of the individual; and no other deductions under sections 24B and 37E shall be made against residential property income of the individual in respect of that income year.

(10) With effect from income year 2006, "other income" for the purposes of subsection (9) means the gross income, including exempt income less expenses not being expenses of a capital, private or domestic nature or deductions allowed under sections 23, 24B, and 36C.”.

Amendment of section 42 of Cap. 73

- 27. *Section 42 of the principal Act is amended , in subsection (1),***
- (a) paragraph (h), by deleting the words “and subsequent years” and substituting the words “to income year 2014”***
- (b) by inserting immediately after paragraph (h) the following:***
- “(i) for income year 2015 and subsequent income years:
- (i) 16 per cent of every complete dollar of taxable income up to and including \$35 000; and
- (ii) 33.5 per cent of every complete dollar of taxable income above \$35 000.”.