

#### 4.1. Income Tax (Amendment) Bill 2013 – Third Reading approved

**The Speaker:** Item 4, Bill for Third Reading: the Income Tax (Amendment) Bill.  
I call on the mover, Mr Teare.

**Mr Teare:** Thank you, Mr Speaker.

This Bill confirms two Temporary Taxation Orders and part of a third. It makes various amendments to the Income Tax Act 1970 and the Income Tax (Instalment Payments) Act 1974 as well as two small amendments to the Interpretation Act 1976 and one amendment to the Customs and Excise Management Act 1986.

Clauses 1, 2 and 3 provide respectively for the short title of the Act, its commencement on 6th April 2014 and the expiry of the Act on the day following its promulgation.

Clause 4 confirms two Temporary Taxation Orders and part of a third. These simplify the Income Tax position for certain companies with dual residence, amend the Island's legislation concerning the European Union Savings Directive and ensure the compliance of financial intermediaries with the UK disclosure facility. They also consolidate and broaden international legislation, enable the Assessor to appoint authorised officers and introduce inspection and document-related powers for those officers. Finally, they amend the Assessor's current information-gathering powers.

Clause 5 confirms the purpose of part 2 of the Bill.

Clause 6 inserts two categories of income on which tax is payable.

Clause 7 substitutes section 48 to consolidate legislation concerning the taxation of Social Security benefits and to allow Treasury, by Order, to exempt a benefit from tax.

Clause 8 introduces a new part heading and an offence of fraudulent evasion.

Clause 9 inserts one definition into the Temporary Taxation Order legislation and amends another.

Clauses 10 to 13 form part 3 of the Bill and concern amendments to the Income Tax (Instalment Payments) Act 1974. Part 3 introduces legislation to stop the use of personal service companies for deferring Income Tax payments.

Clause 10 confirms the purpose of this part of the Bill.

Clause 11 introduces a new part heading.

Clause 12 inserts definitions that are required by the amendments made by this part of the Bill.

Clause 13 inserts two new part headings and a new part consisting of six sections. The new parts will prevent a third party, such as a personal service company, from being used as a structure to defer the payment of tax.

Clause 14 gives effect to the schedule.

The schedule makes minor and consequential amendments to the Income Tax Act 1970, the Income Tax (Instalment Payments) Act 1974, the Interpretation Act 1976 and one to the Customs and Excise Management Act 1986.

Mr Speaker, I beg to move the Third Reading of this Bill.

**The Speaker:** Do we have a seconder? Mr Anderson.

**Mr Anderson:** I beg to second and reserve my remarks.

**The Speaker:** I put the motion that the Income Tax (Amendment) Bill be read for the third time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.