

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

Mr Braidwood to move:

*That the Income Tax (Amendment) Bill 2013 be read a third time.*

**The President:** I see Mr Coleman is feeling festive this morning. *(Laughter)*

**Mr Coleman:** Madam President, I –

**The President:** You are not responsible. *(Laughter)*

**Mr Coleman:** There is a gentleman... It is certainly my tree, but the gentleman on your right...

**The Lord Bishop:** I put him up to it, Madam President. *(Interjections and laughter)*

**The President:** Hon. Members, we have a pretty short agenda this morning.

We turn first of all to the Income Tax (Amendment) Bill for Third Reading and I call on Mr Braidwood.

**Mr Braidwood:** Thank you, Madam President.

Madam President, this Bill is divided into four parts and has 14 clauses.

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 United Kingdom 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.

Clauses 5 to 9 form Part 2 of the Bill and address amendments to the Income Tax Act 1970. Clause 5 confirms the purpose of this part of the Bill, while 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, while 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. Of these, clauses 10, 11 and 12 respectively confirm the purpose of this part of the Bill, introduce a new part heading and insert new definitions for the part.

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

Madam President, I beg to move the Third Reading of the Income Tax (Amendment) Bill 2013.

**Mr Downie:** I beg to second, Madam President, and reserve my remarks.

**The President:** The Hon. Member, Mr Wild.

**Mr Wild:** Thank you, Madam President.

I will just reiterate a comment I made last week... sorry, the week before. I think it good, robust and timely legislation.

**The President:** I think there is probably nothing that you wish to reply to there, is there?  
*(Laughter)*

**Mr Braidwood:** I just concur with the sentiments expressed by the Hon. Member of Council, Mr Wild, Madam President.

I beg to move.

**The President:** Hon. Members, the motion is that the Bill be read a third time and do pass. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.