

4.2. Income Tax Bill 2015

Mr Teare to move:

That the Income Tax Bill 2015 be read a third time.

The Speaker: Item 4: Bill for Third Reading, the Income Tax Bill.

I call on the mover of the legislation, the Hon. Member for Ayre, Mr Teare, the Treasury Minister.

Mr Teare: Thank you, sir.

Mr Speaker and Hon. Members, I would like to take the opportunity at this Third Reading to explain the importance of this Bill.

In the main the Bill approves four Temporary Taxation Orders and also, importantly, it makes amendments to the Assessor's information gathering powers.

The OECD Global Forum on Transparency and Exchange of Information awarded the Isle of Man the top compliance rating for its implementation of international standards of transparency and exchange of information for tax purposes when it underwent its phase 1 and phase 2 reviews a few years ago. In 2014, when the Global Forum published the ratings that had been awarded to the 71 countries reviewed by that time, the Isle of Man was only one of 20 countries that have received the top rating. The standard required to achieve this is very high and we can be very proud of this achievement. However, the world of international taxation is moving rapidly, particularly in the areas of tax transparency and exchange of information, and the Island must adapt to maintain this status.

The Global Forum is currently updating the terms of reference for the next reviews. In response to this, a number of the changes proposed by this Bill, particularly those in clauses 8 and 10, are designed to ensure the Island's legislation is fit for purpose and will enable it to fully comply with its international obligations and continue to meet the required standards. The proposals contained in this Bill are therefore vital for the Island to maintain the international reputation it has built.

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

The Speaker: Hon. Member, Mr Watterson.

Mr Watterson: I beg to second and reserve my remarks.

The Speaker: Hon. Member, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

Congratulations to the Treasury Minister on moving this Bill so quickly through the House... it seems.

Does the Treasury Minister agree that the increasing number of tax cappers, from 58 to 70, is a consequence of clause 6 in this Bill?

The Speaker: I call on the mover to reply. Mr Teare.

Mr Teare: I think that this tax capping and the way that it has worked has been very good for the Island's economy as a whole. It has delivered significant economic benefits. We are currently receiving, in direct exchequer benefits, approximately £25 million a year and that is helping to support the services that we regard and our constituents regard as being essential. But we have to recognise we are operating in a very competitive environment and the measures which are contained within this legislation, or part of this legislation, will enable us to be competitive but not over competitive.

With that, Mr Speaker, I beg to move the Third Reading.

The Speaker: Hon. Members, I put the question that the Income Tax Bill be read for the third time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.