



INCOME TAX
EXTRA STATUTORY CONCESSION
TOURIST ACCOMMODATION – ZERO RATE OF TAX
ON TAXABLE INCOME

Laid before Tynwald

15th February 2005

The Treasury has agreed the following Concession -

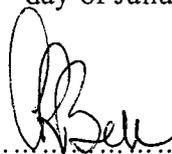
1. This Concession will have effect in respect of the year of assessment commencing 6 April 2005 and subsequent years of assessment.
2. This Concession will apply to any company whose principal activity is the provision of tourist accommodation.
3. For the purposes of this Concession “tourist accommodation” may be taken to mean any facility that regularly or occasionally provides overnight accommodation for tourists from premises registered with the Department of Tourism and Leisure under the Tourist Act 1975 ^(a)
4. (1) Any company within the charge to Manx income tax will be charged at a rate of 0% on so much of its taxable income as is derived from the provision of tourist accommodation. For the purposes of this Concession taxable income shall not include any balancing charges arising under Tourist Business Incentive Allowance provisions.

(2) Any apportionment necessary for the purposes of sub-paragraph (1) shall be made by the Assessor.
5. Section 71 of the Income Tax Act 1970 ^(b) shall not be applied to so much of the dividends paid by such a company as is attributable to the taxable income falling within paragraph 4 and the Assessor shall not pursue the liability to income tax of non-resident persons in receipt of such income.
6. The application of this concession will be conditional on the company concerned accepting that Part 4 of the Income Tax (Amendment) Bill 2005 will apply from 6th April 2005.

(a) 1975 c19; (b) Vol. XXI p.260

7. This Concession is of general application, but in a particular case there may be special circumstances which will require to be taken into account in considering the application of the Concession. This Concession will be withdrawn in any case where the Assessor determines that the concession has been or is intended to be subject to abuse.

MADE this 17th day of January 2005



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Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Concession)

This Concession is a transitional measure pending introduction of primary legislation implementing the Taxation Strategy approved by Tynwald in October 2000. It applies a zero rate of income tax on the company trading profits in respect of the provision of tourist accommodation and formalises the Treasury Minister's 2005 Budget Day announcement made on 15th February 2005.