



**INCOME TAX ACT 1970**

**INCOME TAX (DEDUCTIONS) (PRESCRIBED CASES)  
(AMENDMENT) ORDER 2005**

*Approved by Tynwald* 15<sup>th</sup> February 2005

*Coming into operation in accordance with article 1*

In exercise of the powers conferred on the Treasury by section 31A of the Income Tax Act 1970 (a), and of all other enabling powers, the following Order is hereby made :-

**Citation, commencement and interpretation**

1. (1) This Order may be cited as the Income Tax (Deductions) (Prescribed Cases) (Amendment) Order 2005 and, subject to section 31A(2)(b) of the Income Tax Act 1970, shall come into operation on 6<sup>th</sup> April 2005.

(2) This Order shall have effect in respect of the income tax year commencing 6<sup>th</sup> April 2005 and subsequent years.

**Amendment of G.C. 374/89**

2. For article 5(1) of the Income Tax (Deductions) (Prescribed Cases) Order 1989 (b) (covenanted payments for children and grandchildren), substitute-

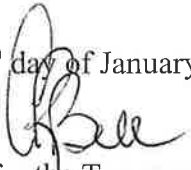
“(1) Subject to the provisions of this article, any covenanted educational payment made by an individual (“the donor”) for -

(a) the benefit of a person of or over the age of 16 years but below the age of 18 years (“the donee”) provided that the fees in respect of the course of higher education are met by the Department of Education; or

(b) the benefit of a person of or over the age of 18 years but below the age of 25 years (“the donee”)

shall be allowed as a deduction from total income in the year of assessment in which it is paid”.

MADE this 17<sup>th</sup> day of January 2005

  
Minister for the Treasury

---

(a) Vol. XXI p. 260, section 31A inserted by section 60 of 1989 c.10; (b) G.C. 374/89

**EXPLANATORY NOTE**

(This note is not part of the Order)

This Order provides for relief in respect of educational covenants paid to an individual aged 16 years or over but below the age of 18 where the course fees are being met by the Department of Education.