

Statutory Document No. 2015/0014



Income Tax Act 1970

INCOME TAX (RATES OF INCOME TAX) (RESIDENT AND NON-RESIDENT CORPORATE TAXPAYERS) ORDER 2015

Approved by Tynwald: 17 February 2015
Coming into Operation: 6 April 2015

The Treasury makes the following Order under section 1(3B), 1(3BA), 1(3C) and 27A of the Income Tax Act 1970.

1 Title

This Order is the Income Tax (Rates of Income Tax) (Resident and Non-Resident Corporate Taxpayers) Order 2015.

2 Commencement

If approved by Tynwald¹, this Order comes into operation on 6 April 2015 and shall have effect in respect of income tax years commencing 6 April 2015 and all subsequent years.

3 Amendment of the Income Tax (Rates of Income Tax) (Resident and Non Resident Corporate Taxpayers) Order 2006

- (1) The Income Tax (Rates of Income Tax) (Resident and Non Resident Corporate Taxpayers) Order 2006² is amended as follows.
- (2) In article 2, for “income derived from land in the Island” substitute **“income derived from land within the Island”**.
- (3) In article 6 for “10%” substitute **“20%”**.
- (4) After article 6 insert –
6A Group relief is only available from a surrendering company under Schedule 2 of the Income Tax Act 1980 against income derived from land within the Island taxable at the prescribed rate of 20%, if the

¹ Tynwald approval is required by section 1(3E) and 27A(4) of the Income Tax Act 1970

² SD 224/06

loss to be surrendered is from a trade or business also subject to the 20% rate of income tax.

6B A loss may only be offset against income derived from land within the Island if it has also been derived from land within the Island. **22**.

- (5) In the heading to articles 7 and 8 at the end insert **10** or 20% **22**.
- (6) For article 8 substitute –

10 Where a distribution of income is received which has been charged to Manx income tax at the corporate rate of 10% under article 4 or 20% under article 6 the income will be charged at a prescribed rate of 10% or 20% respectively. **22**.

MADE 19th January 2015

W E TEARE
Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order introduces a 20% rate of income tax for income derived from land within the Island by a corporate taxpayer and amends the Income Tax (Rates of Income Tax) (Resident and Non Resident Corporate Taxpayers) Order 2006.