

CERTIFICATE

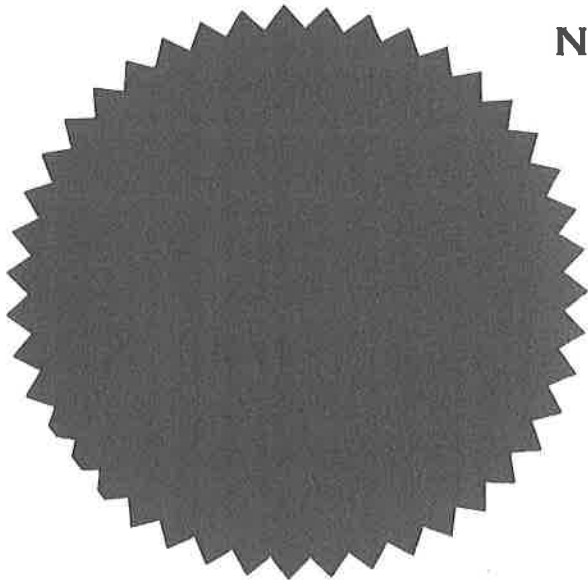
In accordance with section 56(2) of the Jamaica Constitution Order in Council 1962, I hereby certify that the Bill shortly entitled The Income Tax (Amendment) Act, 2015 is a Money Bill.

MICHAEL A. PEART
Speaker

JAMAICA

No. 12 – 2015

I assent,



R. L. Allen

Governor-General.

22nd day of July, 2015

AN ACT to Amend the Income Tax Act to provide for an increase in the personal income tax threshold and to give permanent effect to matters previously effected provisionally, and for connected purposes.

[Sections 5A and 30 – 01/01/2015]
[All other sections – 23/07/2015]

BE IT ENACTED by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

1.—(1) This Act may be cited as the Income Tax (Amendment) Act, 2015, and shall be read and construed as one with the Income Tax Act (hereinafter referred to as the “principal Act”) and all amendments thereto.

Short title and commencement.

(2) The provisions of this Act shall be deemed to have come into effect in respect of the amendments to sections 5A and 30, on the 1st January, 2015.

Amendment of
section 5 of
principal Act.

2. Section 5 of the principal Act is amended in subsection (1) by deleting the full stop at the end of paragraph (c), substituting therefor a semicolon, and inserting next after paragraph (c) the following as paragraph (d)—

“(d) the income characterized as insurance premiums paid to a person who is not resident in Jamaica by a person who is resident in Jamaica, other than where the insurance premiums are paid by—

- (i) an insurance company resident in Jamaica that is registered with the Financial Services Commission under Part II of the *Insurance Act* or the insured;
- (ii) an insurance broker resident in Jamaica that is registered with the Financial Services Commission under Part IV of the *Insurance Act*; or
- (iii) an insurance agent resident in Jamaica that is registered with the Financial Services Commission under Part IV of the *Insurance Act*,

to a person who satisfies all of the following conditions, namely that—

- (A) the person is not connected with the insurance company, the insurance broker, the insurance agent or the insured;
- (B) the person, in receiving the insurance premiums from an insurance company, is carrying on the business of writing contracts of reinsurance in the international reinsurance market or in

insurance broker, is carrying on the business of insurance (including reinsurance) in the international insurance market; and

- (C) the Commissioner is satisfied that the person is not acting as, or on behalf of, a captive insurance company in receiving the insurance premiums, or that the person (being a captive insurance company) has been paid the insurance premiums not for the purpose of reducing the insured's tax liability but as a genuine risk management business strategy being pursued by the insured that is not priced in excess of its market value.”.

2A. Section 5A of the principal Act is amended, in subsection (7), by deleting the word and numerals “1.5 million” and substituting therefor the word and numerals “4.5 million” .

Amendment of section 5A of principal Act.

3. Section 30 of the principal Act is amended, in subsection (1)(a), by deleting sub-paragraph (ix) and inserting the following as sub-paragraphs (ix), (x) and (xi), respectively—

Amendment of section 30 of principal Act.

“(ix) for each year of assessment commencing on the 1st January, 2013 and ending on the 31st December, 2014—

For the first

\$507,312.00 Nil; and

For every dollar of the income exceeding

\$507,312.00 25 cents;

(x) for the year of assessment commencing on the 1st January, 2015 and ending on the 31st December 2015—

For the first

\$557,232.00 Nil; and

For every dollar of the income exceeding

\$557,232.00 25 cents;

(xi) for each year of assessment commencing after 31st December 2015—

For the first
\$592,800.00 Nil; and

For every dollar of
income exceeding
\$592,800.00 25 cents.”.

Amendment of
section 40 of
principal Act.

4. Section 40 of the principal Act is amended by deleting subsection (1) and substituting therefor the following—

- “ (1) Subject to the provisions of this section, where a person resident in Jamaica makes a payment to a person who is not resident in Jamaica in respect of—
- (a) any interest of money, dividends, royalty, annuity, or other annual payment, or in respect of rent accruing from property situated in Jamaica, or in respect of the provision of industrial commercial information or advice or management or technical services or similar services or facilities or hire of plant or equipment (otherwise than under a *bona fide* hire-purchase agreement as defined in subsection (1) of section 2 of the *Hire Purchase Act*), the person making the payment shall deduct therefrom a sum on account of income tax thereon at the rate of $33\frac{1}{3}$ cents in the dollar if the payment is made to a person other than an individual or 25 cents in the dollar if the payment is made to an individual;
 - (b) income comprising insurance premiums that are charged to tax under section 5 (1)(d), the person making the payment shall deduct therefrom a sum on account of income tax thereon at the rate of 15 cents in the dollar;
 - (c) with effect from the 1st January, 2013, upon the chargeable income of all persons, other than those specified for receiving payments of income under

paragraph (a) or (b), the person making the payment shall deduct therefrom a sum on account of income tax thereon at the rate of 25 cents in the dollar,

and the person making the payment shall forthwith deliver to the Commissioner an account of the payment and of such tax deducted from the payment and the Commissioner shall assess and charge the payment for which an account is so delivered on that person.”.

5. Section 48 of the principal Act is amended—

Amendment
of section 48
of principal
Act.

- (a) in subsection (6) by deleting the word “Where” and substituting therefor the words “Subject to subsection (7A), where”;
- (b) in subsection (7) by deleting the word “Where” and substituting therefor the words “Subject to subsection (7A), where”;
- (c) by inserting immediately after subsection (7) the following as subsection (7A)—

“ (7A) Notwithstanding subsection (6) or (7), the provisions of paragraph (b) of section 40 (1) shall apply to payments specified in that paragraph.”.

6.—(1) Notwithstanding sections 3 and 4(2) of the *Provisional Collection of Tax Act* and anything to the contrary in any enactment, the collection of withholding tax on insurance premiums by the Government and persons purporting to act on behalf of the Government, in good faith and inadvertent as to the collection being invalid, improper or unlawful during the period commencing on the 30th April, 2014, and ending on the date of commencement of this Act is hereby declared to have been validly, properly and lawfully done to all intents and purposes and with effect as if duly authorized by law; and no penalty and interest payable thereon shall accrue during the period commencing on the 30th April, 2014 and ending on the date of commencement of this Act.

Validation and
indemnity.

(2) Every person liable to be legally proceeded against on the ground that the acts referred to in subsection (1) were validly, properly and lawfully done to all intents and purposes and with effect as if duly authorized by law, is hereby freed, acquitted, discharged and indemnified as well against the Queen's Most Excellent Majesty, Her Heirs and Successors, as against all other persons, from such liability.

Passed in the House of Representatives this 23rd day of June, 2015.

MICHAEL A. PEART
Speaker

Passed in the Senate this 3rd day of July, 2015 with four (4) amendments.

ANGELA R. BROWN-BURKE
Deputy President

On the 7th day of July, 2015 the House of Representatives agreed to the amendments made by the Senate.

MICHAEL A. PEART
Speaker.

This printed impression has been carefully compared by me with the authenticated impression of the foregoing Act, and has been found by me to be a true and correct printed copy of the said Act.

(Sgd.) H. E. Cooke
Clerk to the Houses of Parliament.