

Statutory Document No. 2022/0051



Income Tax Act 1970

INCOME TAX (T.T. HOMESTAY SCHEME ALLOWANCE) (TEMPORARY TAXATION) (NO.2) ORDER 2022

Approved by Tynwald: 15 February 2022

Coming into Operation in accordance with article 2

The Treasury makes the following Order under section 115A of the Income Tax Act 1970.

1 Title

This Order is the Income Tax (T.T. Homestay Scheme Allowance) (Temporary Taxation) (No.2) Order 2022.

2 Commencement and effect

If approved by Tynwald¹, this Order comes into operation on 6 April 2022 and shall have effect in respect of the income tax year commencing 6 April 2022 and all subsequent years.

3 Amendment of the Income Tax Act 1970

- (1) The Income Tax Act 1970 is amended as follows.
- (2) After section 58A, insert —

58AA T.T. Homestay Scheme Allowance

- (1) In the case of rental income, received by an Isle of Man resident individual registered under the Homestay Scheme, the amount of that income shall, in accordance with subsection (2) below, be reduced by the amount of the allowance.
- (2) The allowance, by virtue of subsection (1) above shall, subject to subsections (3) to (6) below, be a maximum of £2,350 for each registration under the Homestay Scheme.
- (3) Any allowance made under this section will only be made in respect of rental income received —

¹ Tynwald approval is required by section 115A(2) of the Income Tax Act 1970.

- (a) by a resident of the Isle of Man;
 - (b) in respect of a property in which the person registered under the Homestay Scheme and claiming the allowance resides in or normally resides in; and
 - (c) in respect of accommodation provided during the T.T. Period.
- (4) The allowance is deductible from rental income received in lieu of any normal expense claim.
- (5) For the purposes of this section, any excess allowance cannot be carried forward to a later period.
- (6) For the purposes of this section —
- “**rental income**” means the gross income received from the provision of “bed and breakfast” or “bed only” accommodation;
- “**T.T. Period**” means a period commencing the day before the first practice session and ending a day after the final race; and
- “**Homestay Scheme**” means the scheme operated on behalf of the Department for Enterprise to help accommodate visitors during the Isle of Man T.T.
- (7) Where the Assessor is of the opinion that the application of this section is being abused, the Assessor may determine that this section ceases to apply to any person with immediate effect.
- (8) The Treasury may by order amend this section.
- (9) An order under subsection (8) shall not come into operation unless it is approved by Tynwald. ²

4 Revocation

The Income Tax (T.T. Homestay Allowance) (Temporary Taxation) Order 2022² is revoked.

MADE 2ND FEBRUARY 2022

DAVID ASHFORD MBE
Minister for the Treasury

² SD 2022/0008.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under section 115A of the Income Tax Act 1970. It inserts a new section 58AA in respect of a T.T. Homestay Scheme Allowance.

The amendment provides for the assessment of any rental income received in respect of accommodation provided during the T.T. period, by a resident individual registered under the Homestay Scheme, in which they reside or normally reside, to be reduced by a maximum of £2,350.