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PRACTICE NOTE

PN 81-00

Date:

Revision to Procedure for Granting Double Tax Relief

A recent case has brought to light an anomaly within the revised procedures documented in Practice Note 67/97 dated 10th June 1997.

This Practice Note updates PN 67/97 with a replacement example four (pages 12, 13 and 14).

To clarify the point at issue - concessionally for Isle of Man tax purposes dividends will continue to be taken as the "top slice" of income. In the original example four, all of the tax charged at the higher rate was deducted in order to arrive at the tax paid on other income. However, now only the 20% additional tax suffered on the dividends should be deducted to arrive at the tax paid on other income in order to compute the relevant percentage for marginal relief.

This computational anomaly is likely to have affected very few cases, but any which are brought to our attention will be reviewed.