



INCOME TAX ACT 1995

INCOME TAX (EXEMPT INCOME) (TEMPORARY TAXATION) ORDER 2012

Approved by Tynwald *22 February 2012*
Coming into operation *24 February 2012*

The Treasury makes this Order under section 15 of the Income Tax Act 1995¹.

1 Title

This Order is the Income Tax (Exempt Income) (Temporary Taxation) Order 2012.

2 Commencement

If approved by Tynwald², this Order comes into operation on 24 February 2012 and shall have effect in respect of the income tax year commencing 6 April 2012 and subsequent years.

3 Amendment to the Income Tax Act 1970

(1) The Income Tax Act 1970³ is amended as follows.

(2) After section 16B insert –

“16C Maintenance payments: exemption

(1) Income received by an individual in the form of a maintenance payment shall be exempt from income tax and shall not be reckoned in computing income for any of the purposes of the Income Tax Acts.

¹ 1995 c.12

² As required by section 15(2) of the Income Tax Act 1995

³ XXI p.260

(2) In this section –
“child of the family” means, in relation to two persons who are married to or civil partners of each other, a person under 21 years of age –

- (a) who is a child of both those persons; or
- (b) who, not being a person who has been placed with both of them as foster parents by the Department of Social Care or a voluntary organisation, has been treated by both of them as a child of their family;

“maintenance payment” means a periodical payment, other than an instalment of a lump sum, which is made under an order of a court of competent jurisdiction or under a written agreement the proper law of which is the law of the Island, which –

- (a) is made by one of the parties to a marriage or civil partnership (including one which has been dissolved or annulled) either –
 - (i) to or for the benefit of the other party and for the maintenance of the other party; or
 - (ii) to or for the benefit of a child of the family for the benefit, maintenance or education of that child,

and which is made at a time when the two parties are not living together within the meaning of section 65E of the Income Tax Act 1970; or

- (b) in the case of parents who are not, and have not been, married to or civil partners of each other, is made by one parent to or for the benefit of the child of the family for the benefit, maintenance or education of that child and is made at a time when the parents are separated and the circumstances are such that the separation is likely to be permanent;

“parent” means any person in relation to whom the minor concerned is a child of the family.”.

MADE

6th February 2012



Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Income Tax Act 1970 in order to provide that income received in the form of maintenance payments will not be taken into account when calculating taxable income.