



INCOME TAX ACT 1970

INCOME TAX (CORPORATE CHARGE) (EXEMPTIONS) ORDER 2006

Approved by Tynwald

12th July 2006

Coming into operation in accordance with article 1

In exercise of the powers conferred on the Treasury by section 14A(9)(g) of the Income Tax Act 1970 (a), and of all other enabling powers, the following Order is hereby made :-

Citation and commencement

- (1) This Order may be cited as the Income Tax (Corporate Charge) (Exemptions) Order 2006.
- (2) This Order shall come into operation on the date on which it approved by Tynwald.

Interpretation

- In this Order-

“the Act” means the Income Tax Act 1970;

“charity” shall be construed in accordance with section 15(a) of the Act and shall include any other corporation or society of persons, or any trust named in section 61D(4) of the Act or in any Order made by the Treasury under that section;

“corporate charge” means the sum payable by every corporate taxpayer in accordance with section 14A(1) of the Act;

“corporate taxpayer” has the meaning ascribed under section 120 of the Act.

“dormant” has the meaning ascribed under section 12A(3) of the Companies Act 1982(b).

(a) Vol. XXI p.260, section 14A(9)(g) inserted by section 1 of the Income Tax (Amendment) Act 2006
(b) 1982.c2

Exemption

3. A corporate taxpayer that is a charity shall be “an exempted taxpayer” for the purposes of section 14A(1).
4. A corporate taxpayer which is a members’ club or which is the Isle of Man Agricultural Marketing Society shall be “an exempted taxpayer” for the purposes of section 14A(1).
5. (1) A corporate taxpayer which satisfies each of the requirements of paragraph (2) for the entire period commencing on the date of its incorporation and ending at the end of the year of assessment in which it was incorporated and continually for each consecutive year of assessment thereafter shall be “an exempted taxpayer” for the purposes of section 14A(1) for that year of assessment only.

(2) The requirements which a corporate taxpayer must satisfy for the purposes of paragraph (1) are-
 - (i) it must be dormant;
 - (ii) it must have no assets or liabilities; and
 - (iii) it must not receive income or incur expenditure.

Made this 12th day of July 2006


Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides ensure that charities, associations that are members’ clubs and the Agricultural Marketing Society are each “exempted taxpayers” for the purposes of the corporate charge. The Order also provides that companies which have never traded and have never held assets or incurred liabilities will not be liable to the corporate charge.