



## INCOME TAX ACT 1970

### INCOME TAX (DEDUCTIONS) (PRESCRIBED CASES) (AMENDMENT) ORDER 1997

*Approved by Tynwald 18 March 1997*

*Coming into operation in accordance with article 1*

In exercise of the powers conferred on the Treasury by section 31A of the Income Tax Act 1970(a), and of all other powers enabling it in that behalf, the following Order is hereby made :-

#### Citation and commencement

1. This Order may be cited as the Income Tax (Deductions) (Prescribed Cases) (Amendment) Order 1997 and, subject to section 31A(2) (b) of the Income Tax Act 1970, shall be deemed to have effect in respect of the income tax year 1996/97 and subsequent years.

#### Amendment of G.C. 374/89

2. (1) The Income Tax (Deductions) (Prescribed Cases) Order 1989 (b) is amended in accordance with this article.
- (2) In article 3 (4) -
  - (a) in the definition of "child of the family"-
    - (i) for "parties to a marriage" substitute "two persons";
    - (ii) in paragraph (a), for "parties" substitute "persons";
  - (b) for the definition of "maintenance payment" substitute -

" "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 (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 is made at a time when the two parties are not living together within the meaning of section 64(2) of the Income Tax Act 1970 ; or

(b) in the case of parents who are not, and have not been, married to 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."

(c) after the definition of "maintenance payments" add -

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

(3) In article 5 (2), for "£3,000 " substitute "£4,500 ".

Made this 3rd day of March 1997



Minister for the Treasury

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### EXPLANATORY NOTE

(This Note is not part of the Order)

This Order provides income tax relief for maintenance payments to or for the benefit of a child born to unmarried parents. Previously relief was only available in respect of a child born to married parents. In addition, the Order increases the maximum amount which may be deducted in a year of assessment for an educational covenanted payment from £3,000 to £4,500 in respect of each donee.