



INCOME TAX ACT 1970

INCOME TAX (CORPORATE TAXPAYERS) (CORPORATE DEDUCTION) ORDER 2007

Approved by Tynwald *19th June 2007*

Coming into operation in accordance with article 1(1)

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

Citation and commencement

1. (1) This Order may be cited as the Income Tax (Corporate Taxpayers) (Corporate Deduction) Order 2007 and shall come into operation on the day that it is approved by Tynwald.
- (2) This Order shall have effect in respect of the income tax year commencing 6th April 2007. It also has effect in respect of the income tax year commencing 6 April 2006 for accounting periods ending after 6 April 2007.

Corporate Deduction

2. (1) This order only applies to corporate taxpayers that are liable to a rate of income tax above the standard rate of income tax prescribed by article 10 of the Income Tax (Rates of Income Tax) (Resident and Non Resident Corporate Taxpayers) Order 2006 (b).
- (2) Subject to the provisions of this article a corporate deduction of an amount of £250 ("the specified amount") will be allowed in respect of the payment of the annual filing fee to the Financial Supervision Commission ("the prescribed payment").
- (3) For the tax year 2007/08 or accounting periods ending after 6 April 2007 a corporate taxpayer is entitled to a corporate deduction from income tax of the specified amount in respect of the prescribed payment.
- (4) Further to paragraph (2), if the income tax liability for that year or accounting period is less than the specified amount, the maximum deduction will be the amount of the tax liability.
- (5) If the income tax liability is less than the specified amount no refund will be made of the difference between the income tax liability and the total corporate deduction.

(6) Only one corporate deduction of the specified amount will be available to a corporate taxpayer in any twelve month period.

Made this 23rd day of May 2007



Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order introduces a corporate deduction for corporate taxpayers who pay income tax at the current rate of 10% in respect of the payment of the annual filing fee. The corporate deduction is set at £250 and commences for the 2007/08 tax year or accounting periods that end after 6 April 2007.

Only one deduction will be allowed in any 12 month period.

No refund will be made by the Assessor if the income tax liability is less than the specified amount.