



**Isle of Man**  
Government

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# The Treasury *Yn Tashtey*

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## **INCOME TAX DIVISION**

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## **PRACTICE NOTE**

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**PN 76-99**

**Date:**

### **Income Tax Concession - Isle Of Man T.T. Homestay Scheme Introduction**

The T.T. 'Homestay Scheme' is promoted by the Department of Tourism and is designed to make available additional accommodation in private residences over the T.T. fortnight. The text of the Income Tax Extra Statutory Concession, (Government Circular 14 /99) relevant to that Scheme is set out in the appendix.

### **Operation Of The Concession**

As announced by the Treasury Minister in this year's budget speech, the concession will, with effect from 6th April 1999, apply to income received by private householders from the provision of 'bed and breakfast' or 'bed only' accommodation to visitors in the T.T. fortnight, which does not exceed £750 (before expenses). Under the concession the Assessor will not pursue the income tax liability arising on that income. In order for the income of a year to fall within the terms of the concession, the householder concerned must be registered with the Department of Tourism under the Homestay Scheme for the year in which the letting income arises.

### **Income Tax Return**

All income received under the T.T. Homestay Scheme must be declared in Part 11 of the income tax return. The Income Tax Division will automatically exclude the income from the calculation of the income tax liability where the gross amount does not exceed £750. A claim for any expenses incurred should be made where the gross income exceeds £750.

### **Other Income From Letting**

Income which is received from the letting of a person's private residence and does not fall within this concession must be declared separately in part 11 of the income tax return and a claim for expenses made. In particular this will include:

Income received by persons who are not registered with the Department of Tourism; or income which arises to any person in any period other than T.T. fortnight.

### **Appendix**

## Appendix

### INCOME TAX

#### EXTRA - STATUTORY CONCESSION

##### ISLE OF MAN T.T. - "HOMESTAY SCHEME"

Notwithstanding the provisions of the Income Tax Act 1970, the Treasury authorises the following concession

1. This concession applies to the letting income received during the T.T. fortnight by individuals registered under the "Homestay Scheme" promoted by the Department of Tourism.
2. The Assessor of Income Tax will not pursue the income tax liability arising on that income provided the total amount from all such lettings before any expenses does not exceed £750.
3. In this concession, "letting income" means all income derived from the provision of "bed and breakfast" or "bed only" accommodation.
4. This concession will have effect from 6th April 1999

This concession will not apply in any case where all attempt is made to use it for tax avoidance purposes.

### **Explanatory Note**

(This note is not part of the concession)

The Homestay Scheme is promoted by the Department of Tourism and is designed to supplement the traditional tourist accommodation over the T.T. fortnight. The concession will only apply in respect of letting income from accommodation which is registered under the Department of 'Tourism's Scheme. The concession does not apply where the letting income exceeds £750.