



INCOME TAX ACT 1970

INCOME TAX (CAPITAL RELIEF)(TOURIST BUSINESS) ORDER 1990

In exercise of the powers conferred on the Treasury by section 27A 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 (Capital Relief)(Tourist Business) Order 1990 and, subject to section 27A(4) of the Income Tax Act 1970, shall be deemed to have come into operation on the 6th April 1990.

Reliefs for certain capital expenditure in tourist business

2. (1) In the computation of the profits and gains of a tourist business for the purposes of the Income Tax Acts, the Assessor (and on appeal the Commissioners) shall make the same initial and annual allowances, exceptional depreciation and balancing allowances, and impose the same balancing charges in respect of any capital expenditure on tourist premises as he is required to make in respect of such expenditure on industrial buildings under section 29 of the Income Tax Act 1970, except that -

(a) the amount of the initial allowance shall be equal to 20% of such expenditure, and

(b) the amount of the annual allowance shall be equal to 10% of such expenditure incurred on or after 6th April 1990, or to 2 1/2% of expenditure incurred before that date.

(2) In applying the provisions of this article, no allowance shall be made in respect of any capital expenditure or any part thereof -

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- (a) which gives a benefit or advantage to the claimant by reason of his occupation of a part of the tourist premises;
- (b) which is made out of monies provided by grant; or
- (c) incurred before the 6th April 1962.

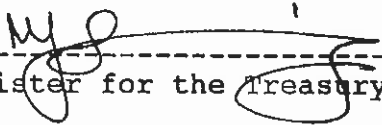
(3) In this article -

"grant" means a grant of monies, either absolute or conditionally, made by or on behalf of the Government or a local authority in aid of the works on which the capital expenditure has been incurred;

"tourist business" means the business of providing lodging for tourists or visitors;

"tourist premises" means premises registered under the Tourist Act 1975(b), which are used for a tourist business.

Made this 2nd day of April 1990

  
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Minister for the Treasury

This Order was approved by Tynwald on 10th April, 1990

EXPLANATORY NOTE

(This Note does not form part of the Order)

This Order replaces the system of capital expenditure reliefs relating to tourist business set out in section 30 of the Income Tax Act 1970. The scheme is the same as in that section but the reliefs are increased by approximately 25% in the case of initial reliefs and 300% in the case of writing down allowance.

(b) 1975 c.19.