The concessions described within are of general application and are not legally binding. It must be borne in mind that in a particular case there may be special circumstances which will need to be taken into account in considering the application of the concession. A concession will not be given in any case where it can be seen that it has been or is intended to be subject to abuse.

This list is intended as a summary for reference only and the text of each separately published document should be referred to in deciding whether a particular concession will apply.

Further information is available as follows:-

Published concessions referenced G.C. may be obtained by contacting the Tynwald Reference Library, 3rd Floor Government Office, Buck’s Road, Douglas, Isle of Man.

Published Practices referenced P.N. may be obtained by contacting the Income Tax Division, 2nd Floor, Government Office Buck’s Road, Douglas, Isle of Man, IM1 3TX.

A. EXTRA - STATUTORY CONCESSIONS.

The following list sets out the ESCs which will have effect in calculating any current income tax liability. It should be noted that they are under review and a revised list will be published periodically.

G.C. 121/73 Meal vouchers

15p of the value of any meal voucher issued by an employer to an employee is free of income tax, provided certain conditions are met.

G.C. 220/81 Official dress of the 1st and 2nd Deemsters and the Attorney General

Annual allowances of £100 are made, free of tax, to each individual for the purchase and upkeep of their official dress.

G.C. 166/85 Short term residence concession (replaced by G.C. 15/03)

This Concession applied between 1985 and 5th April 2003. The Assessor did not pursue the Manx resident liability of an individual who had accommodation available for his use provided that the period spent in the Isle of Man by that individual or his wife or his dependants, did not in the aggregate exceed 4 months in any 2 consecutive years of assessment.

G.C. 326/86 Interest paid to non-residents

The Assessor will not pursue non-residents or their agents for Manx income tax in respect of interest paid by financial institutions included in a list held by the Treasury for the purposes of the concession.

G.C. 327/86 Dividends paid to non-residents

Dividends paid by an investment company listed by Treasury under this concession may be paid to non-resident persons free of tax.

G.C. 328/86 Exemption of the investment income of certain insurance funds
The Assessor will not pursue a liability to tax on investment income arising on policy holders’ funds held by certain insurance companies where the funds held are exclusive to non-resident persons and the income arises outside the Isle of Man.

G.C. 337/86 Manx public investment companies

The management expenses of a resident public investment company are an allowable deduction for income tax purposes.

G.C. 338/86 Child benefit

Child benefit used to be excluded from the computation of an individual’s taxable income. This extra-statutory concession was effective from 6th April 1986 and ended on 5th April 2000 after which the benefit is liable to tax.

G.C. 339/86 Police rent allowances

The rent allowance received by certain officers of the Isle of Man Constabulary is excluded from the computation of taxable income. This is restricted to officers in service prior to 1 November 1993.

G.C. 90/87 Prison service rent allowances

The rent allowance received by an officer of the Isle of Man Prison Service is excluded from the computation of taxable income. [No longer of any practical application]

G.C. 67/88 Interest paid on shares, deposits, & loans by building societies to non-residents

The Assessor will not pursue non-residents or their agents for Manx income tax in respect of interest paid by building societies included in a list held by the Treasury for the purposes of the concession.

G.C. 182/88 Exemption of loan interest paid to certain non-resident financial institutions

Provided certain conditions are satisfied, the Assessor will not pursue the Manx income tax liability on interest payable on any unsecured subordinated loan stock issued by a Manx Financial Institution to its parent company.

G.C. 134/89 Savings-related & profit-sharing schemes (see also P.N. 27/89)

The provisions of sections 185 and 186 of, and Schedules 9 and 10 to, the UK Income and Corporation Taxes Act 1988 which grant employees an option to acquire shares in their employing company under a savings-related share option scheme, or be appropriated shares under a profit sharing scheme, are extended to Manx employees under schemes approved by the Assessor.

G.C. 122/90 National insurance pensions - payment to non-residents

The Assessor will not pursue the Manx income tax liability in respect of a National Insurance Retirement Pension paid to a non-resident.

G.C. 282/91 Pensions for employees disabled at work

The amount by which a pension awarded on retirement through disability caused by injury on duty, or by a work-related illness, or by war wounds, exceeds the pension if retirement had been on ordinary ill-health grounds is not treated as income for income tax purposes. A pension awarded solely on account of such retirement is not treated as income for income tax purposes.

G.C. 318/91 Fund managers - special relief
A fund management company operating in the Isle of Man is entitled to a deduction in an amount equal to 75% of the company’s taxable income from the qualifying activity. [The Treasury Minister announced in his budget speech in March 2003 that a new concession is to be introduced with effect from 6th April 2003.]

G.C. 44/94 Public companies’ loan stock

Enables certain public companies to have exemption from income tax in the same manner and under the same terms as an exempt company. The company’s activities must consist solely in the raising of money by the issue of fixed interest loan stock to institutional investors for investment in associated non-resident companies.


Although not a registered charity, the income from any property received by the Board known as “Douglas 2000” is exempt from income tax under Section 15(a) Income Tax Act 1970 as if it were a charity. The concession expired 05/04/2002.

G.C. 15/03 Short Term Residence

Enables a resident individual who is only on the Island for less than 4 months in aggregate in any two consecutive tax years to elect to be treated as a non-resident.

B. CONCESSIONARY PRACTICES PUBLISHED IN PRACTICE NOTES

Full details of the following income tax practices and procedures have already been detailed in Practice Notes published by the Income Tax Division. The list is intended as a summary for reference only and the text of each separately published concessionary practice should be referred to in deciding whether it will apply.

Copies of Practice Notes are available on the Internet or by contacting the Income Tax Division.

P.N. 31/91 Members clubs

The first £1000 of investment income received by members clubs established for the promotion of sport, art, science, literature or other social pursuits is exempt from Manx income tax.

P.N. 40/92 Relocation expenses

Bona fide removal expenses are not required to be reported on T 9’s provided they do not exceed £10,000. The cost of providing temporary accommodation up to 3 months is not included in the £10,000 limit, and is not held to be a benefit in kind.

Travel expenses between the old home and the Island, for the first 6 months of residence, are not held to be a benefit in kind.

P.N. 51/94 Rental income

Subject to certain conditions, capital allowances are granted against rents from residential properties that are available for permanent letting.

A continuation basis of assessment may apply where a property is transferred (other than by reason of death) from an individual to a private company.

P.N. 62/96 Lloyds underwriters
Concessional treatment of underwriting income stemming from the report issued by the working party on 7/12/95.

**P.N. 67/97 Maintenance paid under UK court order to a UK resident**

With effect from 6/04/97 maintenance paid under a UK court order is allowed as a deduction against UK liable income to the extent of that income.

**P.N. 68/97 Expenditure allowed to investment holding companies**

Concessional deduction for expenses.

**P.N. 76/99 TT Homestay Scheme**

The Assessor will not pursue the liability arising on letting income which (before expenses) does not exceed £750 received by private householders registered with the Department of Tourism's Homestay scheme. This concessional treatment applies strictly to TT fortnight only and not to letting income relating to other race periods such as the Manx Grand Prix.

**P.N. 79/99 Early redemption charges on fixed rate mortgages**

The Treasury has agreed to allow, as a deduction, charges incurred by individual mortgagees by way of a penalty linked to monthly interest for the early redemption of fixed rate home mortgages. The relief will only be given for charges imposed in the three year period commencing 6th April 98, and to penalties associated with personal home mortgages.

**P.N. 80/99 Residence status**

In certain circumstances, when determining a person’s residence status, no account will be taken of days spent on the Island, i.e., on account of their own illness or injury which has delayed their departure, or ii. an unscheduled visit which is due to a family bereavement.

**P.N. 91/02 Relief for certain insurance policies**

Mortgage Protection policies - relief is given on the full premium paid notwithstanding that the sum assured at death diminishes in line with the capital sum outstanding on the mortgage.

Combined Death/Critical Illness/Permanent Incapacity policies - relief is given on the full amount of premium paid provided that the Assessor is satisfied that at least 50% of the premium relates to the policyholder’s death. If the death element is less than 50%, relief will be given only where the policy identifies that part of the premium which specifically relates to the policyholder’s death.

Family Protection policies - relief is given notwithstanding the fact that the policies do not pay out a lump sum on death.

**P.N. 89/01 Termination payments to new residents**

The Assessor will not pursue any liability to income tax in respect of a lump sum termination payment received by a new resident in respect of employment outside the Isle of Man. To qualify for the concession the employment must have ceased within one month, and the payment made within 3 months respectively, from the date of commencing Manx residence.

**P.N. 90/02 Capital Distributions**

The Assessor may allow a distribution as being capital in nature provided that he is satisfied there is no tax advantage.