

INCOME TAX ACT 1970

INCOME TAX (NON RESIDENT TAX RATES) (TRADING INCOME)
(TEMPORARY TAXATION) ORDER 2006

Approved by Tynwald 22nd February 2006

Coming into operation in accordance with article 1

In exercise of the powers conferred on the Treasury by section 15 of the Income Tax Act 1995 (a), and of all other enabling powers, the following Order is hereby made:-


Citation, commencement, application and construction

1. (1) This Order may be cited as the Income Tax (Non Resident Tax Rates) (Trading Income) (Temporary Taxation) Order 2006
- (2) This Order shall come into operation on the 16th March 2006.
- (3) This Order shall apply in respect of the remainder of the income tax year commencing 6 April 2005 and every subsequent year.
- (4) This Order shall be construed as one with the Income Tax Act 1970(b)

Non-resident trading income

2. (1) This article shall apply in respect of corporate taxpayers that are not resident in the Island
- (2) Such a taxpayer shall pay income tax –
 - (a) in respect of every pound of taxable income from any trade carried on by such taxpayer in the Island at a rate of 10% or such other rate as may be determined by resolution of Tynwald; and
 - (b) in respect of every other pound of taxable income derived from any profession, employment, or vocation carried on by such taxpayer in the Island and from any other source within the Isle of Man, at the rate of 18% or such other rate as may be determined by resolution of Tynwald.
- (3) Section 1(3) of the Income Tax Act shall not have effect in respect of the corporate taxpayers to which this article applies.

Made this 24th day of January 2006


Minister for the Treasury

(a) 1995 c.12
(b) Vol. XIII p.235

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under the Income Tax Act 1995. The effect of the Order is to provide for the rates of income tax paid by non resident corporate taxpayers. The Order modifies section 1(3) of the Income Tax Act 1970.