

Rules made under s.37.

**RATES OF TAX RULES, 1989**

**(LN. 1989/096)**

**23.11.1989**

Amending enactments	Relevant current provisions	Commencement date
LN.1990/176	rr. 2(c), (d) and 7	1.7.1991
1992/018	rr. 2(b), (d) and (e), 3 and 6	1.7.1991

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**ARRANGEMENT OF RULES**

Rules

1. Title.
2. Rates of tax chargeable on individuals, etc.
3. Tax charged on certain non-residents.
4. Tax charged on certain amounts received from pension schemes, etc.
5. Standard rate of tax.
6. Corporation tax.
7. Building Society tax.

**Title.**

1. These Rules may be cited as the Rates of Tax Rules, 1989.

**Rates of tax chargeable on individuals, etc.**

2. Tax shall be charged on the taxable income of every person including an individual to whom the provisions of section 34 (3) apply, but excluding-

- (a) a company, and
- (b) a non-resident individual to whom the provisions of rule 24(1) of the Income Tax (Allowances, Deductions and Exemptions) Rules 1992 do not apply, and
- (c) a qualifying individual as provided in section 41A, and
- (d) a building society, and
- (e) a qualifying company.

in accordance with the following bandings:

the first £1,500 of taxable income at the rate of 20 per cent;  
the next £5,500 of taxable income at the rate of 30 per cent;  
the next £5,500 of taxable income at the rate of 35 per cent;  
the next £3,500 of taxable income at the rate of 40 per cent;  
the next £3,500 of taxable income at the rate of 45 per cent;  
the remainder of taxable income at the rate of 50 per cent.

Provided that in the case of an individual to whom the provisions of section 34 (3) apply the amounts of taxable income set out in the above bandings shall be reduced by one-twelfth for each calendar month in the year of assessment during which that individual does not carry on, exercise or undertake any trade, business, profession, vocation or employment in Gibraltar.

**Tax charged on certain non-residents.**

3. Tax shall be charged on the taxable income of every non-resident individual –

- (a) to whom the provisions of rule 24 (1) of the Income Tax (Allowances, Deductions and Exemptions) Rules 1992 do not apply; or

- (b) who is not an individual falling within rules made under section 41 A, except in so far as these rules provided for the application of this rule to such individuals,

in accordance with the following bandings-

the first £7,000 of taxable income at the rate of 30 per cent;  
the next £5,500 of taxable income at the rate of 35 per cent;  
the next £3,500 of taxable income at the rate of 40 per cent;  
the next £3,500 of taxable income at the rate of 45 per cent;  
the remainder of taxable income at the rate of 50 per cent.

## **Tax charged on certain amounts received from pension schemes, etc.**

4. Tax shall be charged—

- (a) at the rate of 20 per cent upon any capital sum received by an individual from a pension scheme, provident society or other fund approved by the Commissioner under section 16(h) in excess of 25 per cent of the retirement pension,
- (b) at the rate of 10 per cent on any amount chargeable in accordance with section 6A(1).

## **Standard rate of tax.**

5. The standard rate of tax shall be 30%.

## **Corporation tax.**

6. Except where otherwise expressly provided by or under any enactment, corporation tax shall be charged on the taxable income of every company at the rate of 35 per cent.

## **Building Society tax.**

7. Except where otherwise expressly provided for by or under any enactment, building societies shall be charged tax on their taxable income at the rate of 35%.