

# **SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE**

**No. 4152 of 5 March, 2015**

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LEGAL NOTICE NO. 33 OF 2015.

## **INCOME TAX ACT 2010**

### **RATES OF TAX (AMENDMENT) RULES 2015**

In exercise of the powers conferred on him by section 24 of the Income Tax Act 2010, and all other enabling powers, the Minister has made the following Rules—

#### **Title and commencement.**

1.(1) These Rules may be cited as the Rates of Tax (Amendment) Rules 2015.

(2) This rule and rule 2(1) comes into operation on the date of publication.

(3) Rule 2(2)(a) shall be deemed to have come into operation on 1 July 2012.

(4) Rule 2(2)(b) shall be deemed to have come into operation on 1 July 2013.

(5) Rule 2(2)(c), (3) and (4) shall be deemed to have come into operation on 1 July 2014.

#### **Amendment of the Rates of Tax Rules, 1989.**

2.(1) The Rates of Tax Rules, 1989 are amended in accordance with the provisions of this Rule.

(2) Rule 2(1) is amended—

- (a) by substituting “the first £4,000 of taxable income at the rate of 15 per cent” for “the first £4,000 of taxable income at the rate of 17 per cent”; and

- (b) by substituting “the next £12,000 of taxable income at the rate of 24 per cent” for “the next £12,000 of taxable income at the rate of 30 per cent”.
  - (c) by substituting “the next £12,000 of taxable income at the rate of 18 per cent” for “the next £12,000 of taxable income at the rate of 24 per cent”.
- (3) In rule 5 substitute “20%” for “30%”.
- (4) After rule 6 insert the following rule—

**“Rate of Tax for Trusts.**

- 6A. The standard rate of tax for income of a trust that is resident in Gibraltar shall be 10%.”.

Dated 5th March, 2015.

F R PICARDO,  
Minister with responsibility for public finance.

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**EXPLANATORY MEMORANDUM**

The Rates of Tax Rules, 1989 are amended to provide for a reduced tax rate in the Allowance Based System of 15% (from 17%) for the first £4000 of taxable income and a reduced rate of 24% (from 30%) for the taxable income bracket of £4001 to £16,000 so as to give effect to the Government’s budget measures of 2012 and 2013 and from 24% to 18% as announced in the 2014 budget.

