

# SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

**No. 5194 GIBRALTAR Tuesday 10th December 2024**

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LEGAL NOTICE NO. 217 OF 2024

## **INCOME TAX ACT 2010**

### **RATES OF TAX (AMENDMENT) RULES 2024**

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

#### **Title.**

1. These Rules may be cited as the Rates of Tax (Amendment) Rules 2024.

#### **Commencement.**

- 2.(1) Subject to subrule (2), these Rules shall be deemed to have come into operation on 1<sup>st</sup> July 2023.

(2) Rules 3(7), (8), (9) and (10) shall be deemed to have come into operation on 1<sup>st</sup> July 2024.

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

- 3.(1) The Rates of Tax Rules, 1989 are amended in accordance with this rule.

(2) In rule 2(1), for “rule 3B” substitute “rules 3B and 3C”.

(3) In rule 3(1), for “rule 3A and rule 3B” substitute “rules 3A, 3B and 3C”.

(4) In rule 3A—

(a) in subrule (1), for “Subject to rule 3B” substitute “Subject to rules 3B and 3C”; and

(b) in subrule (1A) for “Subject to rule 3B” substitute “Subject to rules 3B and 3C”.

(5) In rule 3B—

(a) in the rule title, for “**2024**” substitute “**2023**”;

(b) in subrule (1), for “each of the years of assessment in the period extending from 1 July 2022 to 30 June 2024” substitute “the year of assessment in the period extending from 1 July 2022 to 30 June 2023”;

(c) in subrule 4, paragraph (b), substitute subparagraph (v) with the following—

“(v) for “25 per cent” substitute “27 per cent””.

(6) Insert the following rule after rule 3B–

**“Year of Assessment 1st July 2023 to 30 June 2024.**

3C.(1) For the year of assessment in the period extending from 1 July 2023 to 30 June 2024, rules 2, 3 and 3A above apply subject to the following modifications.

(2) In rule 2–

- (a) in the title, for “individuals” substitute “individuals with assessable income under £100,000 and over £100,000”;
- (b) in subrule (1); –
  - (i) for “every person” substitute “every person with assessable income under £100,000”;
  - (ii) for “14 per cent” substitute “15 per cent”;
  - (iii) for “17 per cent” substitute “18 per cent”; and
  - (iv) for “39 per cent” substitute “40 per cent”.
- (c) insert the following subrule after subrule (1)–

“(1A) Tax shall be charged on the taxable income of every person with assessable income of £100,000 or more, including an individual to whom the provisions of section 34(3) apply, but excluding–

- (a) an individual who elects to be charged on his assessable income under the provisions of rule 3A and subject to the provisions of that rule such election is accepted by the Commissioner;
- (b) a company;
- (c) a building society;
- (d) 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;
- (e) a Category 3 individual under the provisions of the Qualifying (Category 3) Individuals Rules 2008;

(f) a Category 4 individual under the provisions of the Qualifying (Category 4) Individuals Rules 2008;

(g) a High Executive Possessing Specialist Skills Individual under the provisions of the High Executive Possessing Specialist Skills Rules 2008;

(h) a qualifying individual under the provisions of section 41A of the Act; and

(i) an individual under the provisions of the Qualifying (High Net Worth) Individuals Rules 1992,

in accordance with the following bandings—

the first £4,000 of taxable income at the rate of 16 per cent;

the next £12,000 of taxable income at the rate of 19 per cent;

the remainder of taxable income at the rate of 41 per cent.”.

(3) In rule 3(1)—

(a) for “17 per cent” substitute “19 per cent”; and

(b) for “39 per cent” substitute “41 per cent”.

(4) In rule 3A—

(a) in subrule (1)(b)—

(i) for “6 per cent” substitute “7 per cent”;

(ii) for “20 per cent” substitute “21 per cent”; and

(iii) for “28 per cent” substitute “29 per cent”;

(b) in subrule (1A)—

(i) for “£25,000” substitute “£25,000 but does not exceed £100,000”;

(ii) for “16 per cent” substitute “17 per cent”;

(iii) for “19 per cent” substitute “20 per cent”;

(iv) in the banding starting with the words “the next £15,000”, for “25 per cent” substitute “26 per cent”;

(v) delete the following–

“the next £65,000 of assessable income at the rate of 28 per cent;  
the next £395,000 of assessable income at the rate of 25 per cent;  
the next £200,000 of assessable income at the rate of 18 per cent;”;

(vi) for “rate of 25 per cent” substitute “rate of 29 per cent”;

(vii) insert the following rule after subrule (1A)–

“(1B) Where –

(a) the assessable income of an individual exceeds £100,000  
in a year of assessment; and

(b) the individual has made an election on the appropriate  
form prescribed by the Commissioner to the effect that the  
provisions of this rule shall apply to that individual,

then, subject to the provisions of this rule and rule 8, tax may be  
charged on the assessable income of that individual in  
accordance with the following bandings –

the first £17,000 of assessable income at the rate of 18  
per cent;

the next £8,000 of assessable income at the rate of 21 per  
cent;

the next £15,000 of assessable income at the rate of 27  
per cent;

the next £65,000 of assessable income at the rate of 30  
per cent;

the remainder of assessable income at the rate of 27 per  
cent.”.

(7) In rule 6(1) for “12.5 per cent” substitute “15 per cent”.

(8) In rule 6A for “12.5 per cent” substitute “15 per cent”.

(9) In rule 6B for “12.5 per cent” substitute “15 per cent”.

(10) After rule 6C insert–

**“Transitional Provision in respect of rules 6(1), 6A and 6B – Accounting periods that started before, but ended after, 1<sup>st</sup> July 2024.**

6D.(1) Notwithstanding rules 6(1), 6A and 6B, this rule shall apply to any accounting period of a company (except a company subject to rule 6(2) or 6(3)), trust or foundation that started before, but ended after, 1st July 2024 (“the Transitional Accounting Period”) –

- (a) from the start of the Transitional Accounting Period up to and including 30th June 2024 (the “Pre-Transition Period”), the rate of tax for income of the company, trust or foundation shall be 12.5%; and
- (b) from 1st July 2024 to the end of the Transitional Accounting Period (the Post “Transition Period”), the rate of tax for income of the company, trust or foundation shall be 15%.

(2) The tax liability in relation to the Transitional Accounting Period shall be computed by apportioning the profits and losses by reference to –

- (a) the number of days in the Pre-Transition Period divided by the number of days in the Transitional Accounting Period (the “Pre-Transition Profits and Losses”);
- (b) the number of days in the Post-Transition Period divided by the number of days in the Transitional Accounting Period (the “Post-Transition Profits and Losses”; and
- (c) applying the rate in rule 6C(1)(a) to the Pre-Transition Profits and Losses up to and including 31st July 2021 and the rate in rule 6C(1)(b) to the Post Transition Profits and Losses”.

Dated: 10<sup>th</sup> December 2024.

F R PICARDO,  
Minister with responsibility for Public Finance.

**EXPLANATORY MEMORANDUM**

These Rules give effect to the Government’s 2023 and 2024 Budget Measures.