



**Isle of Man**

*Ellan Vannin*

**AT 2 of 2009**

**INCOME TAX ACT 2009**





**Isle of Man**

*Ellan Vannin*

## INCOME TAX ACT 2009

### Index

Section	Page
<b>PART 1 – PRELIMINARY</b>	<b>5</b>
1 Interpretation.....	5
<b>PART 2 – CONFIRMATION OF TEMPORARY TAXATION ORDERS</b>	<b>6</b>
<i>[Repealed]</i>	<b>6</b>
2 <i>[Repealed]</i> .....	6
<i>Individuals</i>	<b>6</b>
3 Confirmation of S.D. 29/08 .....	6
<i>Agreements with Nordic territories</i>	<b>6</b>
4 Confirmation of S.D.s 60/08, 63/08, 66/08, 69/08, 72/08, 75/08 and 78/08 .....	6
<i>Agreements with Ireland</i>	<b>7</b>
5 Confirmation of S.D. 360/08 .....	7
<b>PART 3 – MISCELLANEOUS AMENDMENTS</b>	<b>7</b>
<i>Benefits in kind - cars and fuel</i>	<b>7</b>
6 Amendment of section 2I of the 1970 Act .....	7
7 Amendment of section 2J of the 1970 Act .....	7
8 Substitution of Schedule 1B to the 1970 Act etc.....	8
9 Amendment of section 31A of the 1970 Act.....	8
<i>International arrangements</i>	<b>8</b>
10 Amendment of section 54 of the 1970 Act etc.....	8
11 Amendment of sections 19 and 20 of the 2003 Act .....	9
<i>Personal allowance credit</i>	<b>9</b>
12 Amendment of section 15 of the 1995 Act.....	9
13 Amendment of section 5 of the 2003 Act.....	9
14 Amendment of section 6 of the 2003 Act.....	10
<i>Time limits for default assessments</i>	<b>10</b>
15 Amendment of section 86 of the 1970 Act.....	10
16 Amendment of section 86A of the 1970 Act.....	10

	<b><i>Information gathering</i></b>	<b>10</b>
17	Amendment of section 105I of the 1970 Act etc .....	10
	<b><i>Minor amendments</i></b>	<b>11</b>
18	Amendment of section 116 of the 1970 Act .....	11
19	Repeal of the 1988 Act.....	11
20	Amendment of section 7 of the 2008 Act .....	11
	<b>PART 4 – SUPPLEMENTARY</b>	<b>11</b>
21	Short title and commencement.....	11
	<b>SCHEDULE 1</b>	<b>13</b>
	ATTRIBUTED PROFITS - AMENDMENTS AND REPEALS	13
	<b>SCHEDULE 2</b>	<b>13</b>
	INDIVIDUALS - AMENDMENTS AND REPEALS	13
	<b>ENDNOTES</b>	<b>15</b>
	TABLE OF LEGISLATION HISTORY	15
	TABLE OF RENUMBERED PROVISIONS	15
	TABLE OF ENDNOTE REFERENCES	15



**Isle of Man**

*Ellan Vannin*

## INCOME TAX ACT 2009

<i>Received Royal Assent:</i>	<i>21 April 2009</i>
<i>Announced to Tynwald:</i>	<i>21 April 2009</i>
<i>Commenced:</i>	<i>See section 21</i>

**AN ACT** to confirm certain temporary taxation orders; to amend the Income Tax Acts; and for connected purposes.

### PART 1 – PRELIMINARY

#### 1 Interpretation

In this Act —

“**1970 Act**” means the *Income Tax Act 1970*;

“**1988 Act**” means the *Income Tax (Amendment) Act 1988*;

“**1989 Act**” means the *Income Tax Act 1989*;

“**1995 Act**” means the *Income Tax Act 1995*;

“**2001 Act**” means the *Income Tax Act 2001*;

“**2003 Act**” means the *Income Tax Act 2003*;

“**2004 Act**” means the *Income Tax (Amendment) Act 2004*; and

“**2008 Act**” means the *Income Tax (Amendment) Act 2008*.

## PART 2 – CONFIRMATION OF TEMPORARY TAXATION ORDERS

*[Repealed]<sup>1</sup>*

### 2 [Repealed]<sup>2</sup>

*Individuals*

### 3 Confirmation of S.D. 29/08

- (1) The Income Tax (Individuals) (Temporary Taxation) Order 2008 is confirmed for the purposes of section 15(4)(a) of the 1995 Act.
- (2) The order in subsection (1) continues as a permanent order from the date on which this section comes into operation.
- (3) Subsections (3) to (6) of section 15 of the 1995 Act (expiry of orders) do not have effect in respect of this section or the order in subsection (1).
- (4) The amendments and repeals in Schedule 2 have effect.

*Agreements with Nordic territories*

### 4 Confirmation of S.D.s 60/08, 63/08, 66/08, 69/08, 72/08, 75/08 and 78/08

- (1) The following orders are confirmed for the purposes of section 15(4)(a) of the 1995 Act —
  - (a) the Income Tax (Denmark) (Temporary Taxation) Order 2008 [S.D. 60/08];
  - (b) the Income Tax (Faroes) (Temporary Taxation) Order 2008 [S.D. 63/08];
  - (c) the Income Tax (Finland) (Temporary Taxation) Order 2008 [S.D. 66/08];
  - (d) the Income Tax (Greenland) (Temporary Taxation) Order 2008 [S.D. 69/08];
  - (e) the Income Tax (Iceland) (Temporary Taxation) Order 2008 [S.D. 72/08];
  - (f) the Income Tax (Norway) (Temporary Taxation) Order 2008 [S.D. 75/08];
  - (g) the Income Tax (Sweden) (Temporary Taxation) Order 2008 [S.D. 78/08].
- (2) The orders in subsection (1) continue as permanent orders from the date on which this section comes into operation.

- (3) Subsections (3) to (6) of section 15 of the 1995 Act (expiry of orders) do not have effect in respect of this section or the orders in subsection (1).
- (4) The Treasury may exercise the enabling powers in subsections (1) and (2) of section 15 of the 1995 Act to amend, revoke or replace an order in subsection (1), and subsection (3) of this section applies in respect of any such exercise of those enabling powers.

### *Agreements with Ireland*

## **5 Confirmation of S.D. 360/08**

- (1) The Income Tax (Ireland) (Double Taxation Arrangement) (Temporary Taxation) Order 2008 is confirmed for the purposes of section 15(4)(a) of the 1995 Act.
- (2) The order in subsection (1) continues as a permanent order from the date on which this section comes into operation.
- (3) Subsections (3) to (6) of section 15 of the 1995 Act (expiry of orders) do not have effect in respect of this section or the order in subsection (1).
- (4) The Treasury may exercise the enabling powers in subsections (1) and (2) of section 15 of the 1995 Act to amend, revoke or replace the order in subsection (1), and subsection (3) of this section applies in respect of any such exercise of those enabling powers.

## **PART 3 – MISCELLANEOUS AMENDMENTS**

### *Benefits in kind - cars and fuel*

## **6 Amendment of section 2I of the 1970 Act**

- (1) [Amends section 2I of the *Income Tax Act 1970* by substituting subsection (2).]
- (2) [Amends section 2I of the *Income Tax Act 1970* by substituting subsection (4).]
- (3) [Amends section 2I(5)(a) of the *Income Tax Act 1970* by substituting “table” for “Tables”.]
- (4) [Amends section 2I(5)(b) of the *Income Tax Act 1970* by repealing the words “, or the use of it has been preponderantly business use,”.]

## **7 Amendment of section 2J of the 1970 Act**

- (1) [Amends section 2J of the *Income Tax Act 1970* by substituting subsection (2).]

- (2) [Amends section 2J of the *Income Tax Act 1970* by repealing subsections (4) and (7).]
- (3) [Amends section 2J of the *Income Tax Act 1970* by substituting in subsection (5) “paragraph 2 of Part II of Schedule 1B” for “paragraph 2 or 3 of Part II of Schedule 1B”.]

## **8 Substitution of Schedule 1B to the 1970 Act etc**

- (1) [Substitutes Schedule 1B to the *Income Tax Act 1970*.]
- (2) [Amends Schedule 1 to the *Income Tax Act 1989* by repealing Part 2.]
- (3) [Amends section 5 of the *Income Tax Act 2001* by repealing subsection (1).]
- (4) The Income Tax (Car Benefits) Order 2007 [S.D. 177/07] is revoked.  
Deductions in prescribed cases

## **9 Amendment of section 31A of the 1970 Act**

- (1) Amends section 31A(1) of the *Income Tax Act 1970* by substituting “in respect of any year of assessment or, in the case of a corporate taxpayer, any accounting period” for “in respect of any income tax year”.]
- (2) [Amends section 31A(1) of the *Income Tax Act 1970* by substituting paragraph (a).]
- (3) [Amends section 31A(1)(b) of the *Income Tax Act 1970* by substituting “year or period in which the payment is made or in any other year or period” for “year in which the payment is made or in any other year”.]
- (4) [Amends 31A(2)(a) of the *Income Tax Act 1970* by substituting “in respect of such year of assessment or, in the case of a corporate taxpayer, such accounting period” , for “in respect of such income tax year (not being before the 1988-89 year)”.]

### *International arrangements*

## **10 Amendment of section 54 of the 1970 Act etc**

- (1) [Amends section 54 of the *Income Tax Act 1970* by substituting subsection (1) and inserting subsections (1A) to (1G) inclusive.]
- (2) [Amends section 54(3) of the *Income Tax Act 1970* by substituting “ceases to have effect in relation to any income in respect of which relief from double taxation is afforded in accordance with the arrangements” for “shall cease to have effect for any year of assessment or, in the case of a corporate taxpayer, accounting period for which the arrangements are expressed to apply”.]
- (3) [Amends section 54 of the *Income Tax Act 1970* by adding subsection (5).]



- (4) [Amends section 57 of the *Income Tax Act 1970* by substituting subsection (6).]
- (5) Orders made under section 54 of the *Income Tax Act 1970* before this section comes into operation, and the arrangements to which those orders relate, continue to have effect.

## **11 Amendment of sections 19 and 20 of the 2003 Act**

- (1) [Amends section 19(1) of the *Income Tax Act 2003* as follows: paragraph (a) repeals the words “(“the mutual assistance country”)”; paragraph (b) inserts “or foreseeably relevant” after “necessary”; paragraph (c) inserts “and any other taxes to which the arrangements relate’ after “concerning income tax”; and paragraph (d) substitutes “the laws of the other country” for “the laws of the mutual assistance country”.]
- (2) [Amends section 19(1A) of the *Income Tax Act 2003* by substituting “An order under this section” for “Without prejudice to the generality of subsection (1), an order under this section”.]
- (3) [Amends section 19 of the *Income Tax Act 2003* by inserting subsections (1B) and (1C).]
- (4) [Amends section 19(2) of the *Income Tax Act 2003* by substituting “a country with whose government applicable arrangements have been made” for “a mutual assistance country”.]
- (5) [Amends section 19(3) of the *Income Tax Act 2003* by substituting “must not come into operation” for “shall not have effect”.]
- (6) [Amends section 20 of the *Income Tax Act 2003* by substituting “another country” for “a mutual assistance country”.]
- (7) Orders made under section 19 of the *Income Tax Act 2003* before this section comes into operation, and the arrangements to which those orders relate, continue to have effect.

### *Personal allowance credit*

## **12 Amendment of section 15 of the 1995 Act**

[Amends section 15(1) of the *Income Tax Act 1995* as follows: paragraph (a) inserts paragraph (ba); and paragraph (b) inserts in paragraph (c) “or taxation credit” after “existing tax”.]

## **13 Amendment of section 5 of the 2003 Act**

- (1) [Amends section 5(1) of the *Income Tax Act 2003* by repealing the expression “(“the maximum credit”)”.]

- (2) [Amends section 5 of the *Income Tax Act 2003* by repealing subsection (2).]

#### **14 Amendment of section 6 of the 2003 Act**

- (1) [Amends section 6(2) of the *Income Tax Act 2003* by repealing the expression “(“the maximum credit”)”.]
- (2) [Amends section 6 of the *Income Tax Act 2003* by repealing subsection (3).]

#### *Time limits for default assessments*

#### **15 Amendment of section 86 of the 1970 Act**

[Amends section 86(2) of the *Income Tax Act 1970* by substituting “within 6 years from the end of the year of assessment in respect of which the assessment in default was made” for “within 6 months from the date of the service of the notice of such assessment”.]

#### **16 Amendment of section 86A of the 1970 Act**

[Amends section 86A(2) of the *Income Tax Act 1970* by substituting “within 4 years from the end of the accounting period in respect of which the assessment in default was made” for “within 6 months from the date of the service of the notice of such assessment”.]

#### *Information gathering*

#### **17 Amendment of section 105I of the 1970 Act etc**

- (1) [Amends section 105I(1)(a) of the *Income Tax Act 1970* by substituting “section 105D(2)” for “section 105D(1)”.]
- (2) Subsection (3) applies in respect of each of the following orders —
- (a) the Income Tax (Netherlands) Order 2006 [S.D. 168/06];
  - (b) the Income Tax (USA) Order 2006 [S.D. 169/06];
  - (c) the Income Tax (Denmark) Order 2008 [S.D. 59/08];
  - (d) the Income Tax (Faroese) Order 2008 [S.D. 62/08];
  - (e) the Income Tax (Finland) Order 2008 [S.D. 65/08];
  - (f) the Income Tax (Greenland) Order 2008 [S.D. 68/08];
  - (g) the Income Tax (Iceland) Order 2008 [S.D. 71/08];
  - (h) the Income Tax (Norway) Order 2008 [S.D. 74/08];
  - (i) the Income Tax (Sweden) Order 2008 [S.D. 77/08]; and
  - (j) the Income Tax (Ireland) Order 2008 [S.D. 359/08].

- (3) In Schedule 2 to each order (sections 105C to 105O of the 1970 Act, as modified), in section 105I(1)(a) of the 1970 Act (as set out in that Schedule), for “section 105D(1)” substitute “section 105D(2)”.

*Minor amendments*

**18 Amendment of section 116 of the 1970 Act**

In section 116(1) of the *Income Tax Act 1970*, for “Treasurer” substitute “Treasury”.

**19 Repeal of the 1988 Act**

The 1988 Act is repealed.

**20 Amendment of section 7 of the 2008 Act**

[Amends section 7 of the *Income Tax (Amendment) Act 2008* by substituting in subsection (5) “Meaning of distribution” for the marginal note to new section 2PA of the 1970 Act.]

## PART 4 – SUPPLEMENTARY

**21 Short title and commencement**

- (1) This Act may be cited as the Income Tax Act 2009.
- (2) Sections 1 to 5, 10, 11, 17 and this section come into operation on, and have effect from, the date this Act is passed.
- (3) Section 15 comes into operation on the date this Act is passed and has effect in respect of any return of income made and delivered after 6 April 2008 by a person who has been assessed under section 86(1) of the 1970 Act.
- (4) Section 16 comes into operation on the date this Act is passed and has effect in respect of any return of income made and delivered after 6 April 2008 by a corporate taxpayer who has been assessed under section 86A(1) of the 1970 Act.
- (5) Sections 6 to 9, 12 to 14 and 18 to 20 come into operation on the date this Act is passed and have effect in respect of the income tax year commencing on 6 April 2009 and subsequent years.



**Schedule 1****ATTRIBUTED PROFITS - AMENDMENTS AND REPEALS**

## Section 2(4)

[Sch 1 amends the following Act —  
Income Tax Act 1970 q.v.  
and repeals the following Acts in part —  
Income Tax Act 1970  
Income Tax (Amendment) Act 2006  
Income Tax (Corporate Taxpayers) Act 2006.]

**Schedule 2****INDIVIDUALS - AMENDMENTS AND REPEALS**

## Section 3(4)

[Sch 1 amends the following Act —  
Income Tax Act 1970 q.v.  
and repeals the following Acts in part —  
Income Tax Act 1970  
Income Tax (Retirement Benefit Schemes) Act 1978  
Income Tax Act 1989  
Income Tax Act 1991  
Income Tax Act 1995  
Income Tax (Amendment) Act 2004  
Income Tax (Amendment) Act 2006.]



## ENDNOTES

### Table of Legislation History

Legislation	Year and No	Commencement

### Table of Renumbered Provisions

Original	Current

### Table of Endnote References

---

<sup>1</sup> Cross-heading repealed by SD847/11 as confirmed by Income Tax Act 2013 s 2.

<sup>2</sup> S 2 repealed by SD847/11 as confirmed by Income Tax Act 2013 s 2.