



Isle of Man

Ellan Vannin

AT 2 of 2022

INCOME TAX ACT 2022



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**Isle of Man***Ellan Vannin*

INCOME TAX ACT 2022

Signed in Tynwald: 19 July 2022
Received Royal Assent: 19 July 2022
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AN ACT to confirm the Income Tax (Substance Requirements) Order 2021; to amend the Income Tax Act 1970; and for connected purposes.

BE IT ENACTED by the Queen’s Most Excellent Majesty, by and with the advice and consent of the Council and Keys in Tynwald assembled, and by the authority of the same, as follows:—

1 Short title

The short title of this Act is the Income Tax Act 2022.

2 Temporary Taxation Orders confirmed

- (1) The Income Tax (Substance Requirements) Order 2021¹ (hereafter in this Act referred to as “the Order”) —
 - (a) is confirmed subject to the amendments in section 3; and
 - (b) in accordance with section 115A of the *Income Tax Act 1970*, continues as a permanent order.
- (2) The following Orders are confirmed and, in accordance with section 115A of the *Income Tax Act 1970*, continue as permanent orders —
 - (a) the Income Tax (Allowance for Disabled Persons) (Temporary Taxation) Order 2022²;
 - (b) the Income Tax (T.T. Homestay Scheme Allowance) (Temporary Taxation) (No. 2) Order 2022³.

¹ SD 2021/0156

² SD 2022/0007

³ SD 2022/0051

3 Temporary Taxation Order amended

- (1) The amendments referred to in section 2(1)(a) are as follows –
- (a) in article 3(5) of the Order, omit paragraph (b);
 - (b) in article 3(5)(f) of the Order –
 - (i) in paragraph (a) of the definition of “**high risk IP entity**”, for “a” substitute **its**;
 - (ii) in paragraph (b) of the definition of “**high risk IP entity**”,
 - (A) for “a” where it first occurs, substitute **its**;
 - (B) for “by a foreign” substitute **overseas by a member of its**;
 - (c) in article 3(7)(e) of the Order, in the inserted subsection (4) omit “is not a relevant sector partnership and”;
 - (d) in article 3(8)(b) of the Order, in the substituted paragraph (a) of section 80E(1) for “has a place of effective management on the Island” substitute **is managed in the Island in relation to the activity**; and
 - (e) in article 3(8)(f) of the Order, in paragraph (b) of the substituted section 80E(4) for “has a place of effective management on the Island” substitute **is managed in the Island in relation to the activity**.
- (2) The amendments are deemed to have come into effect at the commencement of the Order.

Amendment of the Income Tax Act 1970

4 Income Tax Act 1970 amended

The *Income Tax Act 1970* is amended as specified in sections 5 to 9.

5 Amendment of section 2ZA

In section 2ZA (election for income tax cap to be applied) of the *Income Tax Act 1970*, insert the following after subsection (11) –

- (11A)** Despite section 84A (additional assessments), –
- (a) where subsection (11) applies; and
 - (b) amendments have been made to the assessments in accordance with that subsection,
- those amendments may, upon a written request, be made for all the years of assessment to which the election applies; provided the request is made within 3 months of the end of the last tax year to which the income tax cap applies.

6 Amendment of section 104I

In section 104I (offence: unlawful disclosure of protected information) of the *Income Tax Act 1970* —

- (a) for subsection (1) substitute the following —
- (1) This section applies if someone (the “witness”) has been —
- (a) notified by the Assessor that the Assessor intends to apply to the High Bailiff for the witness to be summoned;
- (b) summoned,
- under section 104H. **22**;
- (b) in subsection (4) —
- (i) for paragraph (a) substitute the following —
- (a) (if the witness is not an individual) an employee or officer of the witness, provided that the disclosure is necessary to comply with the summons; **22**;
- (ii) omit “to” from paragraphs (b) and (c);
- (iii) omit the “or” that appears after the semicolon;
- (iv) for paragraph (d) substitute the following —
- (d) a person to whom, by the summons or any other legal obligation, it is required to be disclosed; or **22**;
- and
- (v) insert the following after paragraph (d) —
- (e) a risk manager, insurer, legal adviser or other professional —
- (i) who the Assessor is satisfied can provide necessary assistance to the witness in the witness’s preparation to attend the hearing under section 104H(2); and
- (ii) to whom the Assessor has, on written application, in writing authorised the witness to disclose the protected information. **22**.

7 Amendment of section 105

In section 105(2) (assessor and other officers) of the *Income Tax Act 1970*, for “section 21 of the *Interpretation Act 1976*” substitute **22** section 80 of the *Interpretation Act 2015* **22**.

8 Amendment of section 105K

In section 105K(1) (ss 105H and 105I: notices and procedures) of the *Income Tax Act 1970*, omit “of the offence”.

9 Amendment of section 106

In section 106(5) (information confidential) of the *Income Tax Act 1970*, for paragraph (a) substitute the following —

- (a) for the purpose of an objection or appeal before, or an application to, the Commissioners or the Staff of Government Division;■.

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