

THE REPUBLIC OF KIRIBATI
(No. 13 of 1985)

I assent,

M. Tabua
Beretitenti,
18/12 1985

AN ACT TO AMEND THE INCOME TAX ORDINANCE

Commencement:

MADE by the Mancaba ni Maungatabu and assented to by the Beretitenti.

Short title and commencement

1(1) This Act may be cited as the Income Tax (Amendment) Act 1985.

(2) This Act shall come into operation on the 1st day of January 1986.

Amends section 6

2. Section 6 of the Income Tax Ordinance (Cap 44) (in this Act referred to as "the principal Ordinance") is amended -

(i) in subparagraph (iii) of paragraph (a) by repealing the words -

"to the extent that, in the opinion of the Minister they exceed in value similar benefits, advantages or facilities provided for a public officer of similar status and category to the taxpayer"; and

(ii) by adding the following subparagraph -

"(iv) where an employer provides or makes available a motor vehicle for the use of or to his employee, 15 per cent of the open market selling price of such motor vehicle at the time when such motor vehicle was first provided by the employer to such employee;"

Amends section 11

3. Section 11 of the principal Ordinance is amended in subsection (3) by -

(a) repealing the "period" at the end of such subsection; and

(b) adding the following words;

"not exceeding 3 years."

Amends Schedule
2

4. Schedule 2 referred to in section 10(1) of the principal Ordinance is amended by adding the following paragraph -

"21. Any money earned as interest from the proceeds of money deposited or invested by any person in a bank not exceeding -

- (a) \$40 in respect of a bank account of an individual person; or
- (b) \$80 in respect of a joint bank account of husband and wife."

Amends section
17

5. Section 17 of the principal Ordinance is amended by repealing the words -

- (a) "\$600" in the second line and substituting the words "\$800"; and
- (b) "\$1,100" in the fourth line and substituting the words "\$1,500".

Amends section
18(1)

6. Section 18(1) of the principal Ordinance is amended by repealing the words "\$600" and substituting the words "\$800".

Amends section
20

7. Section 20 of the principal Ordinance is amended in subsection (i) by -

- (i) (a) inserting after the word "instruction" in the fifth line and before the word "shall" in the sixth line the following words;

"or who in any year incurs such similar education expenditure referred to in this section in respect of a relative who has not attained the age of 26 years before the end of such year"; and

- (b) inserting after the word "child" and before the word "to" in the sixth line the following words:
"and relative not exceeding four in number"; and
- (c) repealing the words "\$50" and substituting the words "\$75"; and

- (d) repealing the words "\$600" and substituting the words "\$300"; and
- (e) repealing the "period" at the end of the proviso and adding the following words to the proviso:
"and provided further that the number of relatives in respect of whom an individual may **claim** under this section shall not exceed 2 in number."; and

(ii) by adding the following subsection (3):

"(3) In this section "relative" means a brother or sister of an individual and includes a child of such brother or sister of such individual."


Amends section
22

8. Section 22 of the principal Ordinance is amended by repealing the whole of section 22.

Amends section
23

9. Section 23 of the principal Ordinance is amended by repealing the words "\$600" and substituting the words "\$800".

This printed impression has been carefully examined by me with the Bill which passed the Manocaba ni Maungatabu on the 16th day of December, 1985 and is found by me to be a true and correctly printed copy of the said Bill.



Clerk to the Manocaba
ni Maungatabu

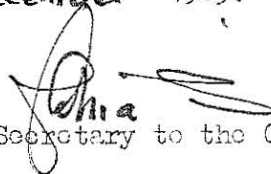
I certify that the above Act was on the 16th day of December, 1985, passed by the Manocaba ni Maungatabu on a certificate of urgency under section 68(3)(a) of the Constitution.



Speaker

Published by exhibition -

- (a) at the Public Office of the Beretitenti this
18th day of *December* 1985.



Secretary to the Cabinet.

(b) at the Mancaba ni Maungatabu this 18th day
of December, 1985.

[Signature]
Clerk to the Mancaba
ni Maungatabu.

INCOME TAX (AMENDMENT) ACT 1985

EXPLANATORY MEMORANDUM

1. The principal object of this Act is to amend the Income Tax Ordinance (Cap 44) and thereby introduce a number of changes to taxation which are considered desirable.

The Act therefore in -

2. Clause 1 provides that the proposed changes as contained in this Act shall come into effect on the 1st day of January 1986.

3. Clause 2 provides for the imposition of tax on what is called "benefit in kind" rather than in cash such as a motor car provided by an employer for the use of an employee. The amount of tax provided under this clause is 15 per cent of the open market selling price of such motor car at the time when first provided by the employer.

4. Clause 3 amends section 11 of the Income Tax Ordinance which provides with no limitation of time or year for any loss from business to be carried forward and deducted from income from later years if income from the year during which such loss was incurred is insufficient to cover such loss. The proposal under this clause is to limit such loss to be carried forward to only 3 years in succession and no more.

5. Clause 4 exempts interest earned from money deposited in a bank amounting to \$40 in the case of a bank account of an individual person or \$80 in the case of a joint bank account of a husband and wife. This is intended to encourage savings.

6. Clause 5 provides for an increase in the basic personal allowance from "\$600" to "\$800" or an increase of \$200 and widower or widow allowance from "\$1,100" to "\$1,500".

7. Clause 6 provides for an increase in the wife allowance from "\$600" to "\$800".

8. Clause 7 provides for an increase in the education allowance from "\$50" to "\$75" (local) and in the case of overseas education allowance a reduction from "\$600" to "\$300". It is also possible now to claim for education allowance in respect of 2 relatives only.

9. Clause 8 provides the repeal of the whole section 22 of the Income Tax Ordinance which provides for dependent relative allowances. No such allowance will be claimable after 1st January 1986.

10. Clause 9 provides for an increase in the retirement benefit allowance (Life Insurance or National Provident Fund) from "\$600" to "\$800".

Michael N. Takabwobwo
The Attorney General

LEGAL REPORT

I hereby certify that in my opinion none of the provisions of the above Act conflict with the Constitution and that the Boretitenti may properly assent to the Act.

Michael N. Takabwobwo
The Attorney General
21 November 1985.