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MALTA

KAMRA TAD-DEPUTATI

HOUSE OF REPRESENTATIVES

ABBOZZ ta' Ligi mressaq mill-Onorevoli Joseph Cassar, M.P., Ministru tal-Finanzi, Dwana u Investimenti Finanzjarji tal-Poplu u moqri għall-Ewwel Darba fis-Seduta tal-10 ta' Ġunju, 1980.

A **BILL** introduced by the Honourable Joseph Cassar, M.P., Minister of Finance, Customs and People's Financial Investments and read the First time at the Sitting of the 10th June, 1980.

ATT biex ikompli jemenda l-Att ta' 1948 dwar it-Taxxa fuq l-*Income*.

AN ACT further to amend the *Income Tax Act, 1948*.

C. MIFSUD

Skriivan tal-Kamra tad-Deputati

C. MIFSUD

Clerk to the House of Representatives

ABBOZZ TA' LIĠI

msejjah

ATT biex ikompli jemenda l-Att ta' l-1948 dwar it-Taxxa fuq l-'Income'.

IL-PRESIDENT, bil-parir u l-kunsens tal-Kamra tad-Deputati, imlaqqgħa f'dan il-Parlament, u bl-awtorità ta' l-istess, ħareġ b'liġi dan li ġej:—

Titolu fil-qosor
u bidu fis-sehh.

1. (1) Dan l-Att jista' jissejjah l-Att ta' l-1980 li jemenda l-Att dwar it-Taxxa fuq *l-Income*, u għandu jinqara u jiftiehem haġa waħda ma' l-Att ta' l-1948 dwar it-Taxxa fuq *l-Income*, hawnhekk iżjed "il quddiem imsejjah "l-Att prinċipali".

(2) Id-disposizzjonijiet li ġejjin ta' dan l-Att għandhom jibdew isehħu kif ġej:

(a) id-disposizzjonijiet ta' l-artikoli 2, 5, 13, 14 u 15 għandhom jitqiesu li bdew isehħu fl-ewwel ta' Jannar, 1980, dwar is-sena ta' stima li tibda f'dik id-data u dwar is-snin ta' stima ta' wara;

(b) id-disposizzjonijiet ta' l-artikoli 4, 6 u 7 għandhom jibdew isehħu fl-ewwel ta' Jannar, 1981, dwar is-sena ta' stima li tibda f'dik id-data u dwar is-snin ta' stima ta' wara;

(c) id-disposizzjonijiet ta' dan l-Att barra minn daww il-msejja fil-paragrafi l-oħra ta' dan is-subartikolu għandhom jibdew isehħu minnufih.

Emenda ta'
l-artikolu 2 ta'
l-Att prinċipali.

2. Fis-subartikolu (1) ta' l-artikolu 2 ta' l-Att prinċipali minflok it-tifsira ta' "korp ta' nies" għandha tidhol din li ġejja:

"korp ta' nies" tfisser kull korp magħqud, magħduda kumpanija, u kull għaqda, soċjetà jew assoċjazzjoni oħra ta' nies, sew jekk korporata jew mhux korporata u sew jekk għandha personalità ġuridika jew le;"

Emenda ta'
l-artikolu 8 ta'
l-Att prinċipali.

3. Fis-subartikolu (2) ta' l-artikolu 8 ta' l-Att prinċipali minnufih wara l-kliem "fuq xi raġuni li huwa jidhirlu biżżejjed," għandhom jidhru l-kliem "Kull eżenzjoni bħal dik tista' ssir sugġetta għal daww il-kondizzjonijiet jew għall-ħlas ta' dik ir-rata jew ta' daww ir-rati oħra ta' taxxa,

sew jekk ikollhom x'jaqsmu ma' *income* sew jekk le, jew kemm għal dawk il-kondizzjonijiet kif ukoll għall-hlas, kif il-Ministru jidhirlu xieraq."

4. Minflok is-subartikolu (4) ta' l-artikolu 10 ta' l-Att prinċipali għandu jidhol dan li ġej:

Emenda ta' l-artikolu 10 ta' l-Att prinċipali.

"(4) Meta xi vettura li għaliha japplika dan is-subartikolu tkun akkwistata b'kost ta' iżjed minn £3000 fl-ewwel jew wara l-ewwel ta' Jannar, 1980, u l-imsemmija vettura tkun uzata u mpjegata fil-produzzjoni ta' l-*income*, kull *allowance* dovuta jew hlas li jkun sar dwar il-vettura skond id-disposizzjonijiet ta' —

(i) il-paragrafi (g) u (k) tas-subartikolu (1) ta' dan l-artikolu; u ta'

(ii) l-artikolu 10B ta' dan l-Att, għandhom jinhadmu daqslikieku l-kost ta' l-akkwist kien £3000."

5. Minflok l-artikolu 12 ta' l-Att prinċipali għandu jidhol dan li ġej:

Sostituzzjoni ta' l-artikolu 12 ta' l-Att prinċipali.

"Disposizzjonijiet speċjali dwar ċertu *income*.

12. Meta xi persuna li tkun taħdem f'xi sengħa jew negozju tikseb qliegh jew profitti għal kollox jew f'parti min-negozju ta' sigurtà allura, safejn dan ikun dwar il-qliegh jew profitti miksuba minn dik il-persuna min-negozju ta' sigurtà, l-*income* totali ta' dik il-persuna għandu jiġi aċċertat kif ġej:

(a) fil-każ ta' persuna li tkun tagħmel negozju ġenerali ta' sigurtà (minbarra persuna li tmexxi negozju ta' sigurtà fuq il-hajja) l-*income* totali għandu jiġi aċċertat billi jittieħdu s-somom kollha riċevuti minn dik il-persuna bħala *premiums*, imghaxijiet, qliegh, profitti jew *income* ieħor, u billi tiżdied magħhom riżerva għal riskji mhux magħluqin bil-persentaġġ adottat minn dik il-persuna b'relazzjoni għall-operazzjonijiet tagħha bħala ntier għal dawk ir-riskji fil-bidu tas-sena li taħbat qabel is-sena ta' stima u mit-total ta' dawn jitnaqqas it-total ta' dawn li ġejjin:

(i) kull *premiums* mogħtija lura lill-assigurat u *premiums* imħallsa fuq riassigurazzjoni;

(ii) riżerva ikkalkulata kif intqal hawn fuq għal riskji mhux magħluqin fis-sena li taħbat qabel is-sena ta' stima;

(iii) *claims* attwali mħallsa jew li jkollhom jithallsu (barra minn kull ammont li jittieħed lura jew li jista' jittieħed lura dwar dawk il-*claims* taħt riassigurazzjoni), u

(iv) l-ispejjeż li jkunu saru għal kollox u esklużivament fil-produzzjoni tas-somom riċevuti kif intqal qabel;

(b) fil-każ ta' persuna li tagħmel negozju ta' sigurtà fuq il-hajja, jew esklużivament jew b'zieda ma' negozju ta' assigurarazzjoni ġenerali, l-*income* totali li jinkiseb min-negozju ta' assigurarazzjoni ġenerali għandu jiġi aċċertat kif provdut fil-paragrafu (a) ta' dan l-artikolu u l-*income* totali miksub min-negozju ta' assigurarazzjoni ġenerali għandu jkun l-*income* ġej mill-impieg ta' flus dwar dak in-negozju wara li minnu jitnaqqsu l-ispejjeż tat-tmexxija inklużi l-kummissjonijiet li jkunu thallsu dwaru:

Iżda f'kull wieħed mill-każijiet, meta l-persuna ma tkunx residenti fil-Gżira u l-qliegħ jew il-profitti jinqalgħu parti f'Malta u parti barra minn Malta, l-*income* totali li fuqu għandha tiffallas it-taxxa jkun il-proporzjoni ta' l-*income* totali maħdum kif intqal qabel li jkun daqs il-proporzjon li l-*premiums* riċevuti f'Malta kellhom mal-*premiums* totali riċevuti minn dik il-persuna f'Malta u band'oħra:

Iżda wkoll sabiex jiġu aċċertati kif intqal qabel il-qliegħ jew il-profitti ta' xi persuna min-negozju ta' assigurazzjoni d-disposizzjonijiet tal-paragrafu (h) tas-subartikolu (1) ta' l-artikolu 10 ta' dan l-Att m'għandhomx ikollhom effett dwar telf li jingiebb 'il quddiem fejn dan ikun iġġarrab matul is-sena ta' stima li taħbat qabel is-sena ta' stima 1979 u snin ta' stima ta' qabel.”.

Emenda ta' l-artikolu 14A ta' l-Att prinċipali. ġej:

6. L-artikolu 14A ta' l-Att prinċipali għandu jiġi emendat kif

(a) fil-proviso għas-subartikolu (4) tiegħu minflok il-kliem “ ‘il fuq minn tliet mija u tmenin lira” għandhom jidhlu l-kliem “ ‘il fuq minn erba' mitt lira”; u

(b) fis-sub-paragrafu (iii) tal-paragrafu (b) tas-subartikolu (5) tiegħu minflok il-kliem “ ‘l fuq minn tliet mija u tmenin lira” għandhom jidhlu l-kliem “ ‘il fuq minn erba' mitt lira”.

Emenda ta' l-artikolu 22 ta' l-Att prinċipali.

7. L-artikolu 22 ta' l-Att prinċipali għandu jiġi emendat kif ġej:

(a) fis-subartikolu (1) tiegħu —

(i) minflok il-kliem “tnaqqis ta' tmien mija u sebghin lira” fil-paragrafu (a) tiegħu għandhom jidhlu l-kliem “tnaqqis ta' disa' mija u għoxrin lira”;

(ii) minflok il-paragrafu (iv) tal-proviso għall-paragrafu (b) tiegħu għandu jidhlo dan li ġej:

“(iv) fejn, meta jiġi applikat dan il-paragrafu, żewġ individwi jew iktar ikunu intitolati għal tnaqqis dwar l-istess tifel jew tifla, it-tnaqqis għandu jitqassam bi proporzjon bejn l-individwi skond l-ammont jew valur tal-kontribuzzjonijiet tagħhom rispettivi għall-manteniment tat-tifel jew tifla;”, u

(iii) minflok il-paragrafu (d) tiegħu għandu jidhlo dan li ġej:

“Sigurtà fuq il-Hajja, Sigurtà Nazzjonali, u fondi oħra.

(d) (i) huwa jagħmel sigurtà (inkluża sigurtà kontra l-mewt b'disgrazzja) fuq hajtu jew fuq il-hajja ta' martu għand xi kumpannija ta' sigurtà, jew

(ii) huwa jew martu jew it-tnejn jagħmlu kontribuzzjonijiet annwali għal pensjoni, tiffdil, soċjetà jew fond ta' previdenza jew soċjetà jew fond ieħor li jkunu approvati mill-Kummissarju fuq il-kondizzjonijiet li jkunu prekritti,

ikun jista' jsir tnaqqis li jkun daqs l-inqas wieħed mit-tliet ammonti li ġejjin —

(a) l-ammont annwali tal-*premium* imħallas għal dik is-sigurtà u l-ammont annwali tal-kontribuzzjonijiet kif imsemmi hawn qabel;

(b) parti waħda minn sitta ta' l-*income* totali ta' dak l-individwu;

(ċ) mitejn lira:

Iżda meta l-kontribuzzjonijiet annwali li jkunu saru kif imsemmi hawn qabel jinkludu kontribuzzjonijiet magħmula minn dak l-individwu jew minn martu, jew mit-tnejn, skond l-Att ta' l-1956 dwar is-Sigurtà Nazzjonali, it-tnaqqis li jkun jista' jsir taht dan il-paragrafu ma għandu f'ebda każ ikun inqas mill-ammont totali tal-kontribuzzjonijiet magħmula taht l-imsemmi Att.”;

(b) fis-subartikolu (2) tiegħu —

(i) minflok il-kliem “tnaqqis ta' ħames mitt lira” għandhom jidhlu l-kliem “tnaqqis ta' ħames mija u ħamsa u tletin lira”, u

(ii) minflok il-kliem “li ma tkunx iżjed minn tliet mija u sebghin lira” fil-proviso li hemm għalih għandhom jidhlu l-kliem “li ma tkunx iżjed minn tliet mija u ħamsa u tmenin lira”;

(ċ) fis-subartikolu (6) tiegħu, minflok il-kliem “tliet mija u tmenin lira” għandhom jidhlu l-kliem “erba' mitt lira”; u

(d) fis-subartikolu (8) tiegħu minflok il-kliem “tliet mitt lira” kull fejn jinsabu għandhom jidhlu f'kull każ il-kliem “ħames mitt lira”.

8. Minnufih wara s-subartikolu (7) ta' l-artikolu 44A ta' l-Att prinċipali għandu jiżdied is-subartikolu ġdid li ġej:

Emenda ta' l-artikolu 44A ta' l-Att prinċipali.

“(8) Meta jingħataw servizzi f'Malta għal xi persuna residenti f'Malta minn individwu li ma jkollux min iħaddmu f'Malta d-disposizzjonijiet ta' qabel ta' dan l-artikolu għandhom japplikaw għal dik il-persuna residenti bl-istess mod, daqslikieku kienet il-persuna li tħaddem lill-imsemmi individwu.”.

9. L-artikolu 45 ta' l-Att prinċipali għandu jiġi emendat kif ġej:

Emenda ta' l-artikolu 45 ta' l-Att prinċipali.

(a) minflok is-subartikolu (2) tiegħu għandu jidhlo dan li ġej:

“(2) Tnaqqis ta' taxxa li jsir taht is-subartikolu (1) ta' dan l-artikolu għandu jitpatta għall-finijiet ta' ġbir mat-taxxa tal-persuna li tirċievi l-*income* għas-sena ta' stima li tiġi wara dik li matulha jkun sar it-tnaqqis, jew ma' dik ta' xi sena ta' stima oħra kif jagħżel il-Kummissarju u kull taxxa li ma tistax titpatta kif intqal qabel għandha tiġi mħallsa lura skond id-disposizzjonijiet ta' l-artikolu 67 ta' dan l-Att:

Iżda dan is-subartikolu ma japplikax meta xi taxxa mnaqqa kif intqal qabel ma tkunx giet mibgħuta lill-Kummissarju u l-Kummissarju jkun sodisfatt li dak in-nuqqas li tintbagħat kien minħabba xi htija jew konnivenza tal-persuna li tirċievi l-*income*.”;

(b) minnufih wara l-paragrafu (f) tas-subartikolu (3) tiegħu, għandu jiżdied il-paragrafu ġdid li ġej:

“(g) minkejja d-disposizzjonijiet ta’ kull liġi oħra, l-avviż mill-Kummissarju msemmi fil-paragrafu (b) ta’ dan is-sub-artikolu, li juri l-ammont li għandu jithallas taht dan l-artikolu, jikkostitwixxi talba privileġġata ta’ grad daqs il-paga ta’ mpjegati fuq l-assi ta’ min iħaddem u daqs talbiet tad-Direttur tas-Servizzi Soċjali għal ammonti li jkollhom jithallsu bħala kontribuzzjoni taht l-artikolu 54 ta’ l-Att ta’ l-1956 dwar is-Sigurtà Nazzjonali, u għandhom jithallsu, flimkien ma’ dawk il-pagi u talbiet, bi preferenza għall-pretensjonijiet l-oħra kollha sew privileġġati sew ipotekarji.”

Emenda ta’
l-artikolu 56 ta’
l-Att prinċipali.

10. Minflok is-subartikolu (7) ta’ l-artikolu 56 ta’ l-Att prinċipali għandu jidhul dan li ġej:

“(7) Il-Bord ikollu s-setgħa li jsejjaħ kull persuna sabiex tixhed jew iġġib kotba jew dokumenti oħra quddiemu u *Chairman* tal-Bord jew il-membri li jagħmilha ta’ *Chairman* f’laqgħa tal-Bord, ikollu s-setgħa li jamministra l-gurament lil kull persuna li tidher quddiem il-Bord:

Iżda —

(i) l-iskrivan, l-aġent, l-impjegat jew persuna oħra mpjegata f’kariga konfidenzjali fl-affarijiet ta’ l-appellant u l-ġenituri, żewġ jew mart jew ulied dak l-appellant m’għandhomx jissejju biex jixhdu jew biex jiġu eżaminati hliet fuq it-talba ta’ l-appellant;

(ii) kull persuna, barra mill-Kummissarju, li jkollha jew li kellha xi dmir uffiċjali, jew li tkun jew kienet taħdem, fl-amministrazzjoni ta’ dan l-Att, m’għandhiex tisesejjaħ biex tixhed jew biex tiġi eżaminata dwar xi haġa uffiċjali li jkollha x’taqsam mal-likwidazzjoni li tkun qed tiġi appellata hliet fuq it-talba tal-Kummissarju.”

Emenda ta’
l-artikolu 63 ta’
l-Att prinċipali.

11. L-artikolu 63 ta’ l-Att prinċipali għandu jiġi emendat biż-żieda taż-żewġ subartikoli ġodda li ġejjin minnufih wara s-subartikolu (2) tiegħu:

“(3) Id-disposizzjonijiet ta’ l-artikolu 468 tal-Kodiċi ta’ Organizzazzjoni u Proċedura Ċivili għandhom japplikaw dwar kull mandat maħruġ bis-saħħa ta’ xi titolu eżekuttiv imsemmi fl-artikolu 60A ta’ dan l-Att u għall-ħlas tad-dhul mill-bejgħ bl-irkant tal-proprjetà maqbulda; u ebdha oppożizzjoni jew riżerva fiċ-ċedola ta’ depożitu ma għandha twaqqaf milli tithallas xi somma depożitata fil-Qorti wara li jkun sar xi mandat hekk kif intqal qabel.

(4) Id-disposizzjoni tas-subartikolu (3) ta’ dan l-artikolu ma tkunx ta’ preġudizzju għall-ammont ta’ taxxa li tiġi stabbilita bħala finali skond id-disposizzjonijiet l-oħra ta’ dan l-Att.”

Sostituzzjoni ta’
l-artikolu 64 ta’
l-Att prinċipali.

12. Minflok l-artikolu 64 ta’ l-Att prinċipali għandu jidhul dan li ġej:

“Gbir tat-taxxa wara deċiżjoni ta’ oġġezzjoni jew appell.

64. Meta l-ħlas tat-taxxa jkun ġie miżmum skond id-disposizzjonijiet ta’ l-artikolu 61 ta’ dan l-Att sa ma johroġ ir-riżultat ta’ avviż ta’ oġġezzjoni jew ta’ appell, it-taxxa li tkun għadha ma thallsitx skond il-likwidazzjoni stabbilita fuq dik l-oġġezzjoni jew dak l-appell, skond il-każ, għandha tithallas sa dak iż-żmien li jispiċċa fl-aħħar jum tax-xahar kalendarju li jaħbat minnufih wara dak li matulu jkun ġie notifikat l-avviż tat-taxxa li jkollha tithallas, u jekk dik it-taxxa ma tit-

ħallasx sa dak iż-żmien, għandhom japplikaw id-disposizzjonijiet ta' l-aħħar artikolu qabel dan.”.

13. Is-subartikolu (2) ta' l-artikolu 68Ċ ta' l-Att prinċipali għandu jiġi emendat kif ġej:

Emenda ta' l-artikolu 68Ċ ta' l-Att prinċipali.

(a) fil-paragrafu (a) tiegħu, minflok il-kliem “l-ogħla parti ta' l-income tagħha” għandhom jidhlu l-kliem “l-ogħla parti ta' l-income totali tagħha”; u

(b) fil-paragrafu (b) tiegħu, minflok il-kliem “parti oghla ta' l-income tagħha” għandhom jidhlu l-kliem “parti oghla ta' l-income totali tagħha”.

14. Fis-subartikolu (2) ta' l-artikolu 70 ta' l-Att prinċipali minflok il-kliem “l-ogħla parti ta' l-income taxxabli” għandhom jidhlu l-kliem “l-ogħla parti ta' l-income totali”.

Emenda ta' l-artikolu 70 ta' l-Att prinċipali.

15. Minnufih wara l-artikolu 70 ta' l-Att prinċipali għandu jiżdied l-artikolu ġdid li ġej:

Żieda ta' artikolu ġdid 71 ma' l-Att prinċipali.

“Kif jinħadem ċertu tnaqqis mit-taxxa.

71. Meta minħabba l-applikazzjoni tad-disposizzjonijiet ta' l-artikoli 25, 68Ċ u 70 ta' dan l-Att parti mill-income sugġett għat-taxxa għandha titqies li tkun l-aħħar parti ta' l-income totali u l-income totali dwar xi sena ta' stima jkun jinkludi iktar minn parti waħda li għandha hekk titqies, id-disposizzjonijiet ta' l-artikolu 68Ċ għandu jkollhom preċedenza fuq id-disposizzjonijiet ta' l-artikolu 25 u d-disposizzjonijiet ta' kull wieħed minn dawn iż-żewġ artikoli għandu jkollhom preċedenza fuq dawk ta' l-artikolu 70, skond il-każ.”.

16. Minflok l-artikolu 78 ta' l-Att prinċipali għandu jidhol dan li ġej:

Sostituzzjoni ta' l-artikolu 78 ta' l-Att prinċipali.

“Il-kawża ssir bis-sensja tal-Kummissarju.

78. Ebda kawża dwar reat taħt dan l-Att ma tista' tibda hlief fuq it-talba jew bis-sensja tal-Kummissarju.”.

Għanijiet u Raġunijiet

L-Għan ewlieni ta' l-Abbozz huwa li jaġhti effett lill-proposti tal-Budget u disposizzjonijiet konsegwenzjali dwar l-ghoti ta' tnaqqis personali għall-finijiet tat-taxxa fuq l-income. Qed isiru wkoll emendi biex jiġu mħarsa l-interessi ta' l-impjegati dwar tnaqqis li jsir bis-sistema tal-PAYE. L-Abbozz ukoll jaġġorna l-mod kif jiġu kalkolati l-profiti min-negozju ta' assigurazzjoni ġenerali sabiex dan isir bl-istess mod kif isir f'ħafna pajjiżi. Emendi oħra għandhom x'jaqsmu ma' miżuri biex jithaffu l-proċeduri għall-ġbir tat-taxxa u ma' miżuri oħra amministrattivi.

A BILL

entitled

AN ACT further to amend the Income Tax Act, 1948

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title and commencement.

1. (1) This Act may be cited as the Income Tax (Amendment) Act, 1980, and shall be read and construed as one with the Income Tax 1948, hereinafter referred to as the "principal Act".

(2) The following provisions of this Act shall come into force as follows:

(a) the provisions of sections 2, 5, 13, 14 and 15 shall be deemed to have come into force as from the first day of January, 1980, in respect of the year of assessment commencing on that date and of subsequent years of assessment;

(b) the provisions of sections 4, 6 and 7 shall come into force as from the first day of January, 1981, in respect of the year of assessment commencing on that date and of subsequent years of assessment;

(c) the provisions of this Act other than those referred to in the other paragraphs of this subsection shall come into force forthwith.

Amendment of section 2 of the principal Act.

2. In subsection (1) of section 2 of the principal Act for the definition of "body of persons" there shall be substituted the following:

" "body of persons" means any body corporate, including a company, and any fellowship, society or other association of persons, whether corporate or unincorporate, and whether vested with legal personality or not;".

Amendment of section 8 of the principal Act.

3. In subsection (2) of section 8 of the principal Act immediately after the words "on any ground which to him may seem sufficient." there shall be added the words "Any such exemption may be made

subject to such conditions or the payment of such other rate or rates of tax, whether related to income or otherwise, or to both such conditions and payment, as the Minister may deem appropriate.”

4. For subsection (4) of section 10 of the principal Act there shall be substituted the following:

Amendment of section 10 of the principal Act.

“(4) Where any vehicle to which this subsection applies is acquired at a cost exceeding £3000 on or after the first day of January, 1980, and such vehicle is used and employed in the production of the income, any allowance due or charge made in respect of the vehicle under the provisions of —

(i) paragraphs (g) and (k) of subsection (1) of this section; and of

(ii) section 10B of this Act,
shall be computed as if the cost of acquisition was £3000.”

5. For section 12 of the principal Act there shall be substituted the following:

Substitution of section 12 of the principal Act.

“Special provisions as to certain income.

12. Where any person engaged in trade or business derives gains or profits wholly or in part from the business of insurance then, so far as concerns the gains or profits derived by such person from the business of insurance, the total income of such person shall be ascertained as follows:

(a) in the case of a person doing general insurance business (other than a person carrying on the business of life insurance) the total income shall be ascertained by taking all sums received by such person by way of premiums, interest, gains, profits or other income, and adding thereto a reserve for unexpired risks at the percentage adopted by such person in relation to such operations as a whole for such risks at the commencement of the year preceding the year of assessment and deducting from the aggregate of the above, the aggregate of the following:

(i) any premiums returned to the insured and premiums paid on re-insurance;

(ii) a reserve calculated as above for unexpired risks at the end of the year preceding the year of assessment;

(iii) actual claims paid or payable (excluding any amount recovered or recoverable in respect thereof under re-insurance), and

(iv) the expenses incurred wholly and exclusively in the production of the sums received as aforesaid;

(b) in the case of a person doing life insurance business, either exclusively or in addition to general insurance business, the total income derived from the general insurance business shall be ascertained as provided in paragraph (a) of this section and the total income derived from the life insurance business shall be the investment income relating to that business less the management expenses including commission incurred in relation thereto:

Provided that in either case, where the person is not resident in the Island and the gains or profits accrue in part in Malta and in part outside Malta, the total income on which tax shall be payable shall be a proportion of the total income computed as aforesaid equal to the proportion which the premiums received in Malta bore to the total premiums received by such person in Malta and elsewhere:

Provided further that for the purposes of ascertaining as aforesaid the gains or profits of any person from the business of insurance the provisions of paragraph (h) of subsection (1) of section 10 of this Act shall not have effect regarding the carrying forward of losses incurred during the year preceding the year of assessment 1979 and earlier years of assessment."

Amendment of section 14A of the principal Act.

6. Section 14A of the principal Act shall be amended as follows:
- (a) in the proviso to subsection (4) thereof for the words "in excess of three hundred and eighty pounds" there shall be substituted the words "in excess of four hundred pounds"; and
 - (b) in sub-paragraph (iii) of paragraph (b) of subsection (5) thereof for the words "in excess of three hundred and eighty pounds" there shall be substituted the words "in excess of four hundred pounds".

Amendment of section 22 of the principal Act.

7. Section 22 of the principal Act shall be amended as follows:
- (a) in subsection (1) thereof —
 - (i) for the words "deduction of eight hundred and seventy pounds" in paragraph (a) thereof there shall be substituted the words "deduction of nine hundred and twenty pounds";
 - (ii) for paragraph (iv) of the proviso to paragraph (b) thereof there shall be substituted the following:

"(iv) where, through the operation of this paragraph, two or more individuals are entitled to a deduction in respect of the same child, the deduction shall be apportioned between the individuals in proportion to the amount or value of their respective contributions towards the maintenance of the child,"; and
 - (iii) for paragraph (d) thereof there shall be substituted the following:
 - (d) (i) he has made insurance (including insurance against death by accident) on his life or on the life of his wife in any insurance company, or
 - (ii) he or his wife or both have made annual contributions to a pension, saving, provident or any other society or fund which may be approved by the Commissioner upon such conditions as may be prescribed,

there shall be allowed a deduction equal to the least of the following three amounts —

 - (a) the annual amount of the premium paid for such insurance and the annual amount of the contributions made as aforesaid;

"Life Insurance, National Insurance, and other funds.

- (b) one-sixth of the total income of such individual;
- (c) two hundred pounds:

Provided that where the annual contributions made as aforesaid include contributions made by such individual or his wife, or by both, in accordance with the National Insurance Act, 1956, the deduction allowed under this paragraph shall in no case be less than the total amount of the contributions made under the said Act.”;

(b) in subsection (2) thereof —

(i) for the words “deduction of five hundred pounds” there shall be substituted the words “deduction of five hundred and thirty five pounds”, and

(ii) for the words “not exceeding three hundred and seventy pounds” in the proviso thereto there shall be substituted the words “not exceeding three hundred and eighty five pounds”;

(c) in subsection (6) thereof for the words “three hundred and eighty pounds” there shall be substituted the words “four hundred pounds”; and

(d) in subsection (8) thereof for the words “three hundred pounds” wherever they occur there shall be substituted in each case the words “five hundred pounds”.

8. Immediately after subsection (7) of section 44A of the principal Act there shall be added the following new subsection:

Amendment of section 44A of the principal Act.

“(8) Where services are rendered in Malta for any person resident in Malta by an individual who does not have an employer in Malta the foregoing provisions of this section shall apply to such resident person in the same manner, as if he were the employer of the said individual.”.

9. Section 45 of the principal Act shall be amended as follows:

Amendment of section 45 of the principal Act.

(a) for subsection (2) thereof there shall be substituted the following:

“(2) Deductions of tax made under sub-section (1) hereof shall be set off for the purposes of collection against the tax charged on a person receiving the income for the year of assessment following that during which the deductions are made, or for any other year of assessment as the Commissioner may elect and any tax which cannot be set off as aforesaid shall be refunded in accordance with the provisions of section 67 of this Act:

Provided that this subsection shall not apply where any tax deducted as aforesaid has not been remitted to the Commissioner and the Commissioner is satisfied that such non-remittance was due to any fault or connivance on the part of the person receiving the income.”;

(b) immediately after paragraph (f) of subsection (3) thereof, there shall be added the following new paragraph:

“(g) notwithstanding the provisions of any other law, the notice by the Commissioner referred to in paragraph (b) of this subsection, showing the amount due to be paid under this section, shall constitute a privileged claim ranking equally with wages of employees over the assets of the employer and with claims of the Director of Social Services for any amounts due

by way of contribution under section 54 of the National Insurance Act, 1956, and shall be paid, together with such wages and claims, in preference to all other claims whether privileged or hypothecary;”.

Amendment of section 56 of the principal Act.

10. For subsection (7) of section 56 of the principal Act there shall be substituted the following :

“(7) The Board shall have the power to summon any person to give evidence or to produce books or other documents before it and the Chairman of the Board or the member acting as Chairman at a meeting of the Board, shall have power to administer an oath to any person appearing before the Board :

Provided that —

(i) the clerk, agent, servant or other person confidentially employed in the affairs of the appellant and the parents, spouse or children of such appellant shall not be called to give evidence or to be examined except on the request of the appellant;

(ii) any person, other than the Commissioner, who has or has had any official duty, or is or has been employed, in the administration of this Act, shall not be called to give evidence or to be examined in connection with any official matter concerning the assessment under appeal except on the request of the Commissioner.”.

Amendment of section 63 of the principal Act.

11. Section 63 of the principal Act shall be amended by the addition of the following two new subsections immediately after subsection (2) thereof :

“(3) The provisions of section 468 of the Code of Organisation and Civil Procedure shall apply with respect to any warrant issued on the strength of any executive title mentioned in section 60A of this Act and to the paying out of the proceeds of the sale by auction of the property seized; and no opposition or reservation in the schedule of deposit shall stay the paying of any sum deposited in Court following any such warrant as aforesaid.

(4) The provision of subsection (3) of this section shall not prejudice the amount of tax that may be finally determined under the other provisions of this Act.”.

Substitution of section 64 of the principal Act.

12. For section 64 of the principal Act there shall be substituted the following :

“Collection of tax after determination of objection or appeal. 64. Where payment of tax is kept in abeyance in accordance with the provisions of section 61 of this Act pending the result of a notice of objection or of an appeal, the tax outstanding under the assessment as determined on such objection or appeal, as the case may be, shall be payable within the period ending on the last day of the calendar month immediately following that during which service of the notification of tax payable has been made, and if such tax is not paid within such period, the provisions of the last preceding section shall apply.”.

13. Subsection (2) of section 68C of the principal Act shall be amended as follows:

Amendment of section 68C of the principal Act.

(a) in paragraph (a) thereof, for the words "the highest part of his income" there shall be substituted the words "the highest part of his total income"; and

(b) in paragraph (b) thereof, for the words "a higher part of his income" there shall be substituted the words "a higher part of his total income".

14. In subsection (2) of section 70 of the principal Act for the words "the highest part of the chargeable income" there shall be substituted the words "the highest part of the total income".

Amendment of section 70 of the principal Act.

15. Immediately after section 70 of the principal Act there shall be added the following new section:

Addition of new section 71 to the principal Act.

"Computation of certain tax reductions.

71. Where through the operation of the provisions of sections 25, 68C and 70 of this Act a part of the income subject to tax fails to be deemed the last part of the total income and the total income in respect of any year of assessment includes more than one such part to be so deemed the provisions of section 68C shall have precedence over the provisions of section 25 and the provisions of either of these two sections shall have precedence over those of section 70, as the case may be."

16. For section 78 of the principal Act there shall be substituted the following:

Substitution of section 78 of the principal Act.

"Prosecution to be with the sanction of Commissioner.

78. No prosecution for any offence against this Act may be commenced except at the instance of or with the sanction of the Commissioner."

Objects and Reasons

The main purpose of the Bill is to give effect to the Budget proposals and consequential provisions concerning the granting of personal deductions for income tax purposes. Amendments are also being introduced to safeguard the interests of employees regarding the deductions made under the PAYE system. The Bill also updates the method of computing the profits from the business of general insurance bringing it into line with that adopted in many countries. Further amendments concern the streamlining of tax collecting procedures and other administrative measures.