

JAMAICA

No. 14 – 2020

I assent,

[L.S.]

Sgd. P. L. Allen
Governor-General.

22nd day of December 2020

AN ACT to Amend the Income Tax Act.

[23rd day of December 2020]

BE IT ENACTED by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

1.—(1) This Act may be cited as the Income Tax (Amendment) Act, 2020, and shall be read and construed as one with the Income Tax Act, (hereinafter referred to as the “principal Act”) and all amendments thereto.

Short title
and com-
mencement

(2) This Act shall be deemed to have come into operation on the 1st day of January, 2020.

Insertion of
new section
32B

2. The principal Act is amended by inserting next after section 32A the following—

“ Corporate
tax credit

32B.—(1) Subject to subsection (2), a body corporate subject to income tax with gross annual revenues or sales of less than or equal to five hundred million dollars, shall be entitled to claim credit (in this section referred to as “corporate tax credit”) of three hundred and seventy-five thousand dollars, against income tax payable by that body corporate under this Act, in any year of assessment.

(2) The entitlement of a body corporate to the corporate tax credit in any year of assessment shall be calculated based on the gross revenues or sales generated for the year of assessment, and without regard to the permitted accounting period for that body corporate.

(3) For the purposes of subsection (1), the following categories of persons shall not be eligible for the corporate tax credit—

- (a) Building Societies and Societies registered under the Industrial and Provident Societies Act;
- (b) a body corporate that has been declared to be an approved developer or an approved organisation by an order of the Minister under section 4 or 7 of the Urban Renewal (Tax Relief) Act;
- (c) a body corporate that is a developer or occupant and is entitled to benefit from the tax reliefs and incentives in the First Schedule of the Special Economic Zones Act;
- (d) a body corporate that has been declared to be a recognised bauxite producer or a recognized alumina producer, or both, as the case may be, by an order of the

Minister under section 2 of the Bauxite and Alumina Industries (Encouragement) Act; and

- (e) any person who is entitled to benefit from the incentives in the Seventh Schedule of the Income Tax Act.

(4) Any amount of corporate tax credit that is not used in the year of assessment shall not be credited against tax payable in any other year of assessment and shall not be the subject of a refund under this Act.

(5) Where, following an assessment by the Commissioner General, it is determined that a body corporate has—

- (a) deferred trading income to another year of assessment; or
- (b) transferred sales revenue to a connected person, for the purpose of reducing the gross revenue of that body corporate to less than five hundred million dollars in the year of assessment,

then such deferred or transferred income shall be deemed to be the revenue of the body corporate in the year of deferral or transfer.

(6) Where a body corporate is entitled to claim the employment tax credit and the corporate tax credit in any year of assessment, the corporate tax credit shall first be applied against the income tax liability before the employment tax credit is applied.”.

Passed in the Honourable House of Representatives this 15th day of December, 2020 with one (1) amendment.

M. DALRYMPLE PHILIBERT

Speaker.

Passed in the Senate this 18th day of December, 2020.

THOMAS TAVARES-FINSON, OJ, CD, QC, JP

President.

This printed impression has been carefully compared by me with the authenticated impression of the foregoing Act, and has been found by me to be a true and correct printed copy of the said Act.

Sgd. Valrie A. Curtis
Clerk to the Houses of Parliament. (Acting)