

THE HOTELS (INCENTIVES) ACT

REGULATIONS
(under section 18)

THE HOTELS (INCENTIVES) REGULATIONS, 1971

(Made by the Minister on the 16th day of February, 1971)

L.N. 41/71

1. These Regulations may be cited as the Hotels (Incentives) Regulations, 1971.

2. Every application for the declaration of any hotel enterprise as an approved hotel enterprise or of any extension or alteration of any hotel as an approved extension shall—

- (a) indicate the date on which the operation of the hotel enterprise or the extension, as the case may be, commenced or shall commence;
- (b) state the actual or estimated cost of establishing the hotel enterprise or of effecting the extension, as the case may be;
- (c) be accompanied by an accurate ground plan prepared by an architect or engineer designating the precinct of the existing or proposed structure and the completed or proposed extension or alteration, as the case may be; and either—
 - (i) accurate plans certified by an architect or engineer of the proposed or completed hotel enterprise, as the case may be, showing the several floors thereof, the front elevation, at least one cross section, and such other cross sections and longitudinal sections as the Minister may in any particular case require, in the case of an application for the declaration of a hotel enterprise as an approved hotel enterprise; or
 - (ii) in the case of an application for the declaration of an extension or alteration as an approved extension, accurate plans certified by an architect or engineer of the completed or proposed extension or alteration, showing clearly the extension or alteration in relation to any previously existing structure in respect of which the application is being made.

3.—(1) In order to determine the profits or gains arising or accruing from, or the losses incurred in relation to, any approved hotel extension for the purposes of section 9 of the Act, the total profits or gains arising or accruing from, or the losses incurred in relation to, the hotel enterprise shall be apportioned between the approved extension of that enterprise and the original facilities of the hotel enterprise in the same ratio as the cost of the approved extension bears to the valuation of the original facilities plus the cost of the approved extension.

(2) Where, due to the fact that at the time of determining the valuation for the purposes of paragraph (1) it is not possible to make an accurate valuation of the original facilities of an approved hotel enterprise by reason of the commencement or completion of the approved extension to that enterprise, the total profits or gains arising or accruing from, or the losses incurred in relation to, such approved extension shall be apportioned between the approved extension of that enterprise and the original facilities of the hotel enterprise in the same ratio as the cost of the completed approved extension bears to the valuation of the entire hotel enterprise.

(3) For the purposes of this regulation, valuations shall be determined by the Minister on the advice of the Commissioner of Land Valuations, and in order to facilitate such determination, the applicant shall furnish such information, plans, specifications, reports or other documents as the Minister may require.

(4) In this regulation—

“cost” means final cost certified by a registered public accountant.

4. Where any accounting period of a hotel enterprise in respect of which an order has been made under section 3 or section 4 of the Act falls partly inside and partly outside the relevant concession period, the profits or gains arising or accruing from, or the losses incurred in relation to, that hotel enterprise during that part of the accounting period which falls within the relevant concession period shall be determined by dividing the profits or gains, or the losses, as the case may be, for the accounting period by the number of months in that period and multiplying the result by the number of months in the part of that period falling within the relevant concession period.

5. Where in any year of assessment for income tax purposes, profits or gains arising or accruing from or the losses incurred in relation to any approved hotel enterprise or approved extension have been apportioned

in accordance with these Regulations, annual capital allowances shall be granted to that approved hotel enterprise only in respect of the period in which no relief has been received in relation to such apportioning.

6. In determining the number of years during which losses not allowed at the commencement of the relevant concession period may be carried forward pursuant to paragraph (h) of subsection (1) of section 13 of the Income Tax Act, no account shall be taken of that relevant concession period.