

I ASSENT

[L.S.]

PEARLETTE LOUISY,
Governor-General.

30th January, 2006.

SAINT LUCIA

No. 7 of 2006

AN ACT to amend the Income Tax Act 1989, No. 1 of 1989.

[6th February, 2006]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly and the Senate of Saint Lucia, and by the authority of the same, as follows :

Short title

1. This Act may be cited as the Income Tax (Amendment) Act 2006.

Interpretation

2. In this Act "principal Act" means the Income Tax Act 1989, No. 1 of 1989.

Amendment of section 2

3. Section 2(1) of the principal Act is amended by deleting the definition of "management charges" and substituting the following —

"management charges" means charges made for the provision of —

- (a) management services;
- (b) personal services;
- (c) technical services;"

Amendment of section 6

4. Section 6(2) of the principal Act is amended by deleting paragraph (a) and substituting the following —

“(a) to any person authorized by —

- (i) Cabinet;
- (ii) the Comptroller; or
- (iii) any other enactment;

to receive such information;”.

Amendment of section 39

5. Section 39 of the principal Act is amended —

(a) in subsection (1)-

- (i) by deleting the paragraphs following paragraph (n); and
- (ii) by adding the following new paragraphs —

“(o) an additional amount of 25% of the total salary paid during the income year to each graduate employed, for a maximum period of three years;

- (p) all expenditure incurred as a result of incorporation costs for the establishment of a new small scale business enterprise;
 - (q) from income year 2001 up to and including income year 2003, expenses reasonably incurred by that person during the income year in the purchasing and installation of a new solar water heating system up to a limit of six thousand five hundred dollars;
 - (r) from income year 2004, an allowance equal to one hundred and fifty percent of the actual expenditure incurred by a company which –
 - (i) promotes or sponsors a local or regional sporting activity or event, sportsperson or team in respect of such promotion or sponsorship up to a maximum of seventy-five thousand dollars; or
 - (ii) build, construct rehabilitate, or repair a sporting facility up to a maximum of two hundred and fifty thousand.
 - (s) from income year 2005, an additional amount of 25 % of the total salary paid during the income year to each graduate of the National Skills Development Center employed with an employer who is certified by the National Skills Development Center, for a maximum period of 3 years;
 - (t) from income year 2005, up to and including income year 2007, expenses incurred by that person during the income year in the purchasing and installation of a new solar water heating system up to a limit of \$6,500.00“.”;”
- (b) by adding the following new subsection (3) –
- "(3) For the purposes of –
- (a) subsection (1)(r) the deduction shall –
 - (i) apply to a sportsperson who belongs to a club recognized by the Minister for Sports;
 - (ii) apply to a local team which is affiliated to a National Association or belongs to a club recognized by the Minister responsible for Sports;

(iii) not be granted for the sponsorship of clubs established by corporate bodies.";

(b) paragraph (a) and subsection (l)(r) –

“club” means a formal structure –

- (a) with a document which clearly sets out the rules, regulations, accepted patterns of behaviour of its members and the role of each member;
- (b) which follows a program over a sustained period of time;
- (c) which exists not only for the fulfillment of programmed activities but also for the social development of its membership;
- (d) which shares similar social objectives with other clubs on a regional level;
- (e) which demonstrates both formal and informal relationships;

“national association” means a nationally, regionally or internationally recognized grouping of clubs or organizations with similar interests;

“sponsor” means one who provides funds or equipment for a broadcast, sporting activity or event;

“sporting activities or events” means athletics, basketball, bridge, amateur boxing, martial arts, cricket, squash, woule-la-ba, hockey, cycling, darts, dominoes, football, rugby, golf, netball, swimming, tennis, body building, yachting and such other activities or events as determined by the Minister responsible for Sports, after consultations with the Minister by Order published in the *Gazette*;

“sporting facility” means playing field, playing court, pavilion and any other amenity to serve such facility;

“sportsperson” means an individual engaged in sporting activities or events;

“team” means an informal unit, with a captain, vice captain and coach, to manage its activities, which comes together usually on a seasonal basis, for the purpose of fulfilling a particular objective or a set of objectives.".

Amendment of section 40

6. Section 40 of the principal Act is amended by inserting between the words "Schedule" and "being" appearing in subsection (1) the following words "or by way of head office expenses".

Amendment of section 44

7. — (1) Section 44 of the principal Act is amended by deleting subsection (3) and by substituting it with the following subsection (2)–

"(2) Notwithstanding sections 38 and 39, in ascertaining the chargeable income of any person for any year of income, no deduction shall be allowed in respect of any amount paid or payable to a –

- (a) person to whom sections 65 and 66 applies; or
- (b) non-resident to which section 64 applies;

unless the Comptroller is satisfied that the tax chargeable thereon has been paid."

Amendment of section 64

8. Section 64 of the principal Act is amended by deleting subsection (1) and substituting the following:

“(1) Where a –

- (a) person makes payment to a non-resident; or
- (b) branch of a non-resident company makes payments to its head office or to some other branch or associate outside Saint Lucia;

tax shall be deducted from such payments in accordance with and in the manner specified in the Third Schedule and the person or branch shall carry out such other obligations as are imposed by that Schedule."

Amendment of section 76

9. Section 76 of the principal Act is amended by adding the following subsection (4) –

"(4) For the purposes of this section "document" includes microfilm."

No. 7] *Income Tax (Amendment) Act* [2006.

Passed in the House of Assembly this 20th day of December, 2005.

J. BADEN ALLAIN,
Speaker of the House of Assembly.

Passed in the Senate this 22nd day of December, 2005.

HILFORD DETERVILLE,
President of the Senate.