



BELIZE

**INCOME AND BUSINESS TAX ACT
CHAPTER 55**

**REVISED EDITION 2011
SHOWING THE SUBSTANTIVE LAWS AS AT
31ST DECEMBER 2011.**

This is a revised edition of the Substantive Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2011.

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CHAPTER 55

INCOME AND BUSINESS TAX

Ch.46.

L. R. 1958.

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R. E,1980-1990.

16 of 1958.

11 of 1963.

40 of 1963.

11 of 1964.

4 of 1967.

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7 of 1982.

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3 of 1992.

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8 of 1997.

19 of 1998.

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3 of 2001.

3 of 2004.

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12 of 2008.

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13 of 2010.

30 of 2010.

S. I. 7 of 1964.

[12th December, 1923]

PART I

Preliminary

Short title.
19 of 1998.

1. This Act may be cited as the Income and Business Tax Act.

Interpretation.

2. In this Act, unless the context otherwise requires,

“basis year” means the calendar year coinciding with the year of assessment except where another period is substituted by the Commissioner under section 7 of this Act;

“Board” means the Income Tax Appeal Board appointed under section 3(3) of this Act;

19 of 1998.

“body of persons” means any body politic, corporate or collegiate and any company, fraternity, fellowship, partnership, or society of persons whether corporate or not corporate;

“business tax” means the tax levied under Part XI of this Act;

7 of 1999.

“chargeable income” means,

(i) in the case of an employed person, the aggregate amount of the income from the applicable sources specified in section 5 of this Act remaining after allowing the appropriate deductions and exemptions under this Act, but does not include “receipts” as defined in Part III of this Act;

8 of 1997.

(ii) in the case of any person other than an employed person, the aggregate amount of the income from the applicable sources specified in section 5 of this Act remaining after allowing the appropriate deductions and exemptions under this Act;

“Chief Collector” means the Chief Income Tax Collector appointed under section 3 (1) of this Act, and until such time as such appointment is made, the Commissioner of Income Tax;

16 of 1994.

“child” includes a stepchild, an adopted child, or a child born out of wedlock who is wholly maintained by the parent claiming the allowance, but does not include a child who is married or has been married or is cohabiting in a common law union;

“Commissioner” means the Commissioner of Income Tax appointed under section 3 (1) of this Act;

“company” means any company incorporated or registered under any law in force in Belize, and any company which, though incorporated or registered outside Belize, carries on business, or has an office or place of business therein;

“incapacitated person” means any infant, person of unsound mind, or insane person;

“judge” means a judge of the Supreme Court;

“lottery” means any scheme for distributing prizes by lot or chance but does not include raffles where the value of the article raffled is not more than ten dollars;

“Minister” means the Minister responsible for Finance;

“person” means a natural person or a legal person and includes a firm, a branch and any body of persons, whether corporate or unincorporated;

“prescribed” means prescribed by rules made under this Act;

“petroleum” means all natural organic substances composed of carbon and hydrogen; and includes crude oil and natural gas, and all other mineral substances, products, by-products and derivatives that are found in conjunction with petroleum;

“petroleum operations” means the operations related to the exploration, development, extraction, production, field separation, transportation, storage, sale or disposal of petroleum, but does not include any transportation or other operations,

- (i) beyond the point of export; or
- (ii) in the case of petroleum which is processed within Belize, beyond the point of entry into a refinery or liquefaction or natural gas treatment plant;

“petroleum profits” means the profits arising from petroleum operations;

“Petroleum surcharge” means the surcharge levied under Part IV of this Act;

“tax” means the income tax imposed by this Act and includes surtax, unless otherwise specified;

“trade” includes every trade, manufacture, adventure or concern in the nature of trade;

“year of assessment” means a period of twelve months commencing on 15th January in each year.

3.–(1) For the due administration of this Act, the Governor-General shall appoint a Commissioner of Income Tax, and the Public Services Commission may appoint a Chief Income Tax Collector and such other officers and collectors as may be necessary to determine, collect, receive and account for the income tax.

(2) The said Commissioner shall prepare an assessment record and he shall generally carry out the provisions and exercise the powers delegated to or vested in him under this Act.

(3) There shall be appointed by the Minister after consultation with the Public Services Commission an Income Tax Appeal Board to hear

Appointment powers, and duties Commissioners, Appeal Board members.

and determine, pursuant to this Act, objections against assessments made in accordance with this Act.

(4) The Board shall consist of three persons who shall be either persons holding public office, other than an office constituted under subsection (1) of this section, or persons who have held office in the Public Service.

(5) The Board so appointed may act by any two of its number and by that number shall form a quorum.

(6) It shall not be necessary or compulsory, unless otherwise considered expedient, to make a temporary appointment to the Board during the absence on leave of any one member of the Board.

(7) Any reference in any other Act or in any statutory instrument to the Assessor of Income Tax or to the Commissioners of Income Tax, other than a reference to such Commissioners in relation to their functions of hearing and determining objections made against assessments, shall be read and construed as a reference to the Commissioner and any reference in any such Act or statutory instrument to the Commissioners of Income Tax in relation to their functions of hearing and determining objections against assessments shall be read and construed as a reference to the Board.

(8) Wherever by this Act or any other Act or statutory instrument relating to income tax a discretion is conferred on the Commissioner, that discretion may be exercised on an objection made against an assessment by the Board, and, on an appeal under section 44 of this Act, by a judge.

4.-(1) Every person having any official duty or being employed in the administration of this Act shall regard and deal with all documents, information, returns, assessment lists and copies of such lists relating to the income or items of the income of any person, as secret and confidential, and shall make and subscribe a declaration in the form prescribed to that effect before a justice of the peace.

Official secrecy.

(2) Every person having possession of or control over any documents, information, returns or assessment lists or copies of such lists relating to the income or items of income of any person, who at any time communicates or attempts to communicate such information or anything contained in such documents, returns, lists, or copies to any person,

- (a) other than a person to whom he is authorised by the Minister to communicate it; or
- (b) otherwise than for the purpose of this Act, is guilty of an offence.

PART II

Basis of Assessment and Charges, etc. of Income Tax.

Charge of income
tax.
3 of 2001.

5.—(1) Income tax shall, subject to this Act, be payable at the rate or rates specified hereafter in sections 21 and 22 of this Act, for the year of assessment commencing on 15th January, 1999 and for each subsequent year of assessment upon the chargeable income of any person accruing in or derived from Belize, whether received in Belize or not in respect of,

- (a) in the case of a person other than an employed person, the gains or profits from any trade, business, profession or vocation, for whatever period of time such trade, business, profession or vocation may have been carried on or exercised;
- (b) in the case of an employed person, gains or profits from any employment, including the estimated annual value of any quarters or board or residence or of any other allowance granted in respect of employment whether in money or otherwise, but not including,
 - (i) payment for any passage to or from Belize for the purpose of leave granted in respect of the employment, up to a maximum of one month's basic salary; or

(ii) any allowance granted for the purchase of uniform or the value of any uniform supplied by the employer;

(c) any pension, charge or annuity.

(2) *Repealed by Act 3 of 2001.*

(3) The gains and profits from any employment exercised in the country shall be deemed to be derived from the country whether the gains or profits from such employment are received in the country or not.

(4) Where a loan is made to a director or a shareholder or to a relative of a shareholder of a company, the amount thereof shall be included in computing the income of the person to whom the loan was made unless,

(i) the loan was made in the ordinary course of the lender's business and the lending of money was part of its ordinary business;

(ii) *bona fide* arrangements were made at the time the loan was made for the repayment thereof within a reasonable time; or

(iii) the loan was repaid within one year from the end of the taxation year of the lender in which it was made and it is established, by subsequent events or otherwise, that the repayment was not made as a part of a series of loans and repayments.

(5) For the purpose of this section,

“relative”, in relation to an individual, means the husband, wife, brother or sister or any lineal ascendant or descendant of that individual.

6. Tax shall be charged, levied and collected for each year of assessment upon the chargeable income of any person for the basis year.

Basis of assessment.

Special periods of
assessment.
12 of 1975.
7 of 1999.

7.-(1) Where the Commissioner is satisfied that any person other than an employed person usually makes up the accounts of his or its trade or business of on some day other than the last day of a basis year the Commissioner shall permit the gains or profits of that trade or business to be computed for the purposes of this Act upon the income of the year terminating on that day in the basis year on which the accounts of the said trade or business have been usually made up.

(2) In no case where the Commissioner has permitted the gains and profits of any trade or business to be computed on any date mentioned in subsection (1) of this section, shall any change be subsequently made without prior notice in writing to the Commissioner and subject to such adjustment of income tax as the Commissioner may determine.

Exemptions.
11 of 1964.

8.-(1) There shall be exempt from tax,

- (a) all the official emoluments received by the Officer Administering the Government during the period in which he is administering the government;
- (b) all the emoluments drawn by the Governor-General himself while on leave;
- (c) the income of any local authority in so far as such income is not derived from a trade or business carried on by the local authority;
- (d) the income of any statutory or registered building or friendly society;
- (e) the income of any ecclesiastical, charitable or educational institution of a public character in so far as such income is not derived from a trade or business carried on by such institution;
- (f) the emoluments payable to members of the permanent consular services of foreign countries in respect of their offices or in respect of services rendered by them in their official capacity;

- (g) the emoluments payable from Imperial Funds to members of Her Majesty's Forces and to persons in the permanent service of the Imperial Government in Belize in respect of their offices under the Imperial Government;
- (h) wound and disability pensions granted to members of Her Majesty's Forces;
- (i) gratuities granted to members of Her Majesty's Forces in respect of services rendered during the Great War;
- (j) the income of the Government Savings Bank;
- (k) the income of any institution for the encouragement of thrift which the Minister may declare to be exempt; 40 of 1963.
- (l) the income arising from a scholarship, exhibition, bursary or any other similar educational endowment held by a person receiving full time instruction at a university, college, school or other educational establishment;
- (m) any interest paid on savings where the investment does not constitute the ordinary business of the company or the self-employed person, 7 of 1999.
- (n) interest payable by, 27 of 1987.
 - (i) the Government on monies borrowed by it from, or debts owed by it to, sources outside Belize;
 - (ii) any financial institution or banking company to which the Banks and Financial Institutions Act, Cap. 263 applies, on monies borrowed by such financial institution or banking company under a loan agreement approved by the Government where the monies are borrowed for the purpose of advancing any loan to the Government;

- (iii) any person in Belize, on monies borrowed under a loan agreement entered into with any such international or regional financial institution in a foreign country as may be approved in this behalf by the Government by general or special order;
- (iv) any person on capital used in specified development industries or projects;
- 12 of 1975. (o) any inducement, education or other allowance and any gratuity attributable thereto paid or payable to an officer by or on behalf of the Government of the United Kingdom under the Overseas Service (British Honduras) Agreement 1961, Cap. 28 or under any memorandum or agreement amending, extending or replacing that agreement;
- 7 of 1982. (p) payment received out of the Social Security Fund established under the Social Security Act, Cap. 44 in respect of sickness benefit, maternity allowance, child's pension and child's death benefits;
- 32 of 1987. (q) any pension paid by the Government of Belize or by any other person resident in Belize in respect of the past services of an individual or of the husband, wife, parent or other relative of that individual, or given to that individual in respect of the past services of any other deceased person, whether or not such individual, husband, wife, parent, relative or deceased person had contributed towards such pension;
- 8 of 1997. (r) any pension or annuity paid by any person or authority outside Belize to a retired person who is ordinarily resident in Belize and when such pension or annuity is received in Belize;
- 32 of 1987. (s) payments received under any social security scheme or fund, whether made by a person resident in Belize

or abroad, provided that such payments are proved to the satisfaction of the Commissioner to be social security payments;

- (t) gratuities paid by the Government of Belize, or by a public statutory body, to its employees (whether contract or non-contract employees) in respect of past services; 4 of 1989.
- (u) dividends of up to one thousand dollars paid to a shareholder in any basis year by a company which is engaged in development industries or projects; 3 of 1992.
- (v) winnings from, 16 of 1994.
 - (i) 'Boledo lottery', 'Jackpot lottery' or 'Ordinary lottery' as those terms are defined in the Lotteries Control Regulations, 1966;
 - (ii) any lottery where the winning is less than one thousand five hundred dollars;
- (w) interest from any debentures, treasury bills, treasury notes or bonds issued by or under the authority of the Government of Belize. 16 of 1994.

(2) Nothing in this section shall be construed to exempt in the hands of the recipients any dividends, interest, bonuses, salaries or wages paid wholly or in part out of the income so exempted.

(3) For the purposes of this section, "public statutory body" means the Development Finance Corporation, Belize Electricity Board, Water and Sewerage Authority, Port Authority, Airports Authority, Marketing Board, Central Bank of Belize, Reconstruction and Development Corporation and Social Security Board, 4 of 1989.

Provided that the Minister may, by Order published in the *Gazette*, include any other statutory body within the meaning of "public statutory body" for the purposes of this section.

Business of shipping by non-resident.
40 of 1963.

9.—(1) Gains or profits arising from the business of shipping carried on by a person not resident in Belize shall be exempted from tax provided that the Minister is satisfied that an equivalent exemption from income tax is granted by the country in which the person is resident to persons resident in Belize and, if that country is a country other than the United Kingdom, to persons resident in the United Kingdom.

(2) In this section the expression “business of shipping” means the business carried on by an owner of ships who employs them in the carriage of passengers or freight, or both, or in the landing, shipping or warehousing of goods, and for the purposes of this definition the expression “owner” includes any charterer.

(3) For the purposes of this section a company shall be deemed to be resident in that country only in which the central management and control of its business is situate.

Government loans.

10. The Governor-General may by proclamation published in the *Gazette* provide that the interest payable on any loan charged on the public revenue of Belize shall be exempted from tax, either generally or only in respect of interest payable to persons not resident in Belize, and such interest shall as from the date and to the extent specified in the proclamation be exempted accordingly.

Deductions allowed.
7 of 1982.
7 of 1999.

11.—(1) For the purpose of ascertaining the chargeable income of any person other than an employed person, there shall be deducted all *bona fide* expenses wholly and exclusively incurred during the basis year by such person other than an employed person in the production of the income, including,

- (a) any sums paid by such person as,
 - (i) interest upon any money borrowed by him, where the Commissioner is satisfied that the interest was payable on capital employed in acquiring the income; or
 - (ii) interest upon any money borrowed by him for the acquisition of shares in a company carrying on business in Belize;

3 of 1992.

- (b) rent paid by any tenant of land or buildings occupied by him for the purpose of acquiring the income; or 10 of 1980.
- (c) where any person engaged in any trade, business, profession or vocation has expended any sum in replacing any plant or machinery which was used or employed in such trade, business, profession or vocation, and which has become obsolete, an amount equivalent to the cost of the machinery replaced, after deducting from that such sum as shall represent the total depreciation which has occurred by reason of exhaustion by wear and tear since the date of purchase of the plant machinery and any sum realised by the sale thereof;
- (d) any sum expended to the satisfaction of the Commissioner on re-afforestation of any timber land with a view to making good any depletion caused by the felling of timber thereon; 11 of 1964.
- (e) any sum expended for repair of premises, plant and machinery employed in acquiring the income, or for the renewal, repair or alternation of any implement, utensil or article so employed; 11 of 1964.
- (f) bad debts incurred in any trade, business, profession or vocation proved to the satisfaction of the Commissioner to have become bad during the basis year, and doubtful debts to the extent that they are respectively estimated to the satisfaction of the Commissioner to have become bad during the said year notwithstanding that such bad or doubtful debts were due and payable prior to the commencement of the said year; however, all sums recovered during the basis year on account of amounts previously written off or allowed in respect of bad or doubtful debts shall for the purposes of this Act be treated as receipts of the trade, business, profession or vocation for that year; 2 of 1986.

- 2 of 1986. (g) in the case of a non-resident, so much of the expenditure in the nature of head office expenditure, as is not in excess of two and a half per cent of its gross receipts;
- 40 of 1963. (h) any sum expended of,
- (i) in establishing or developing an industry approved by the Minister as being to the benefit of Belize; or
- (ii) for a purpose approved by the Minister as being for the welfare of the public or a particular section thereof;
- (i) such other deductions as may be prescribed by any rule made under this Act.

40 of 1963. (2) The Minister may by rules provide for the method of calculating or estimating the deductions allowed or prescribed under this section.

(3) For the purposes of paragraph (h) the Minister may make rules regarding the industries, class of industries or purposes for which, and the conditions under which, such deductions may be allowed.

Tear and wear deductions.

12.—(1) In ascertaining the chargeable income of any person engaged in a trade, business, profession or vocation, there shall be allowed as a deduction a reasonable amount for exhaustion by wear and tear of any industrial building, any qualifying hotel building, and any plant and machinery owned by him arising out of the use or employment of such industrial building or qualifying hotel building or of such plant or machinery for the purpose of his trade, business, profession or vocation during the basis year, in the manner and, as regards industrial buildings or qualifying hotel buildings, at the appropriate rate set out in the Fifth Schedule.

(2) “Qualifying hotel” has the meaning assigned to it in paragraph 2 of the Fifth Schedule

13. For the purpose of ascertaining the chargeable income of any person no deductions shall be allowed in respect of,

Disallowed de-
ductions.

- (a) domestic or private expenses;
- (b) any disbursements or expenses not being money wholly and exclusively laid out or expended for the purpose of acquiring the income upon which income tax is payable;
- (c) any capital withdrawn or any sum employed or intended to be employed as capital;
- (d) any capital employed in improvements, alterations or additions except as provided in paragraphs (d) and
- (h) of section 11(1) of this Act.
- (e) any sum recoverable under an insurance or contract of indemnity;
- (f) rent of or cost of repairs to any premises or part of premises not paid or incurred for the purpose of producing the income;
- (g) any amount paid or payable in respect of the United Kingdom income tax or surtax or Commonwealth income tax as defined by this Act.

11 of 1964.

14.—(1) Subject to subsection (5) of this section, where in any basis year a company has made export sales to a country other than a Member State, the amount of income tax chargeable in respect of its income shall be reduced by an amount of an export allowance calculated in the manner specified in the Seventh Schedule, if the company satisfies the Commissioner that the provisions of this section are applicable to it.

Export allowances.
32 of 1987.

(2) All exports of products of an industry other than the products declared by Order published in the *Gazette* to be traditionally export oriented products shall be eligible for export allowance.

(3) An export allowance under subsection (2) of this section, shall be made only to the company manufacturing or producing the product of an industry.

(4) An export allowance shall be made if the export profits amount to ten *per centum* or more of the entire profits of the company.

(5) No export allowance under this section shall be made in the case of a company which is declared to be an approved enterprise for the purpose of the Fiscal Incentives Act, Cap. 54 in respect of the period during which that company is enjoying benefits under that Act.

(6) For the purposes of this section ,

“Member State” has the same meaning as in section 2 of the Fiscal Incentives Act, Cap. 54;

“company” means a company registered in Belize;

“industry” has the same meaning as in section 2 of the Fiscal Incentives Act, Cap. 54.

Trade loss allow-
ance.

11 of 1994.

16 of 1994.

15.—(1) Subject to subsection (2) and (3) of this section, where the amount of a loss incurred in the basis year in any trade, business, profession or vocation carried on by any person either solely or in partnership is such that it cannot be wholly set off against his income from other sources for the same year, the amount of the loss shall, to the extent to which it is not allowed against his income from other sources for the same year, be carried forward and shall, subject as provided in subsections (2) and (3) of this section, be set off against what would otherwise have been his chargeable income for the following year and the next four succeeding years thereafter, or for so long as the trade, profession or vocation is carried on by the person who incurred the loss, whichever is the shorter, save and except that 16 of 1994, where the Commissioner is satisfied that an enterprise in the agricultural sector has sustained operating losses, he may extend the carry forward period for a further period not exceeding two years,

Provided that if the interest paid by any person on any money borrowed by him for the acquisition of shares in a company carrying on business in Belize is greater in any basis year than the dividend paid on those shares, the difference may be set off against other income of that person in that year and the succeeding years until such time as it is absorbed or the capital investment in those shares is recovered, whichever is earlier,

3 of 1992.

Provided further that, where a trade, profession or vocation carried on by a person shows, on an average, a loss on operation during the preceding five years; or in the agricultural sector during the preceding ten years, the Commissioner may deem the trade or business a non-commercial venture and disallow the set-off of any such loss against income from other sources.

16 of 1994.

(2) The amount of any loss allowed to be set off in computing the chargeable income of any year shall not be set off in computing the chargeable income of any other year, and where the loss involves the bankruptcy of a person, or his compounding with his creditors, he shall not be entitled to set-off such loss against the profits of succeeding years.

(3) In the case of a company there shall not be any set off allowed of the amount of a loss incurred in any preceding basis year in any case where ,

11 of 1964.

- (a) between the end of that preceding year and the end of the basis year,
 - (i) more than fifty per cent of the shares carrying voting power in the company have been acquired by a person or persons who did not at the end of that preceding year own any of the shares in the company; or
 - (ii) control of the company was acquired by a person or persons who did not at the end of that preceding year control the company; and
- (b) the company was not during the basis year carrying on the business in which the loss was sustained.

Deduction in case of residents in Belize.
13 of 2010.
30 of 2010.

16.-(1) In ascertaining the chargeable income of an employed individual who is resident in Belize, there shall be allowed a basic deduction in the following amounts,

- (a) in the case of an employed individual whose total income in a basis year from all sources does not exceed twenty six thousand dollars ----- \$25,6000.00.
- (b) in the case of an employed individual whose total income in a basis year from all sources exceeds twenty six thousand dollars but does not exceed twenty seven thousand dollars-----\$24,600.00.
- (c) in the case of an employed individual whose total income in a basis year from all sources exceeds twenty seven thousand dollars but does not exceed twenty nine thousand dollars----- \$22, 600.00.
- (d) in the case of all other employed individuals -----\$19,600.00.

19 of 1998.
16 of 1994.

(2) Any employed individual who is resident in Belize and whose total income in a basis year from all sources is less than twenty thousand dollars shall not be chargeable to tax in that year.

16 of 1994.

(3) A deduction of \$100.00 as a tax credit shall be allowed from the total tax payable of all residents.

16 of 1994.

(4) Where the Commissioner is satisfied in any particular case arising during the three basis years commencing from 1st January, 1995 that the basic deduction allowed under this section is less than what would have been received in respect of such claims had this section not been passed, then the Commissioner shall allow an additional deduction to the extent that the basic deduction falls short of the value of claims allowable in accordance with previous provisions.

16 of 1994.

(5) For the purpose of determining the eligibility for deduction under this section, all income, whether exempt from tax or not, shall be included as gross income.

(6) For the purpose of this section, a person shall be deemed to be resident during a basis year if he spent in the aggregate more than one hundred and eighty-two days within the country in that basis year or was domiciled in Belize.

16 of 1994.

17.—(1) Subject to subsection (2) of this section, in ascertaining the chargeable income of a person who proves to the satisfaction of the Commissioner that during the basis year he has made several absolute and immediate gifts aggregating two hundred and fifty dollars or over or one or more absolute and immediate gift or gifts of the value of two hundred and fifty dollars or over, taking effect in Belize, for ecclesiastical, charitable, educational, or cultural purposes or for the improvement of amenities in towns or villages, there shall be allowed a deduction of the amount of such gifts.

Deduction for certain gifts.
11 of 1964.
3 of 1971.

(2) No deduction under this section shall be allowed in any year of assessment in respect of any such gifts beyond an amount equal to one-sixth part of the chargeable income of such person estimated in accordance with the provisions of this Act before making the deductions specified in this section and in section 16 of this Act.

16 of 1994.

(3) Where the amount of any such gifts in the basis year is such that it cannot be wholly deducted in the year of assessment, the amount of such gifts shall, to the extent to which it is not deducted, be carried forward and shall, subject to the same limitation hereinbefore imposed, be deducted from what would otherwise have been the chargeable income for the next five years in succession.

16 of 1994.

(4) Notwithstanding the provisions of subsections (1) and (2) of this section but subject to subsection (3) of this section, there shall be allowed a deduction of up to four hundred dollars for every child, not being a child living with the individual at any time during the basis year under the age of sixteen years and wholly maintained by him during the basis year, for any school fees or books or any contribution to education, provided that the total deduction under this subsection shall not exceed one thousand six hundred dollars.

3 of 1992.

Provision for certain companies and businesses.

18. Notwithstanding anything to the contrary in this Act, it is hereby provided that,

- (a) in the case of an insurance company, other than a life insurance company, where the gains or profits accrue in part outside Belize, the gains or profits on which tax is payable shall be ascertained by taking the gross premiums and interest and other income received or receivable in Belize, less any premiums returned to the insured and premiums paid on re-insurances, and deducting from the balance so arrived at a reserve for unexpired risks at the percentage adopted by the company in relation to its operations as a whole for such risks at the end of the basis year, and adding thereto a reserve similarly calculated for unexpired risks outstanding at the commencement of the basis year, and from the net amount so arrived at deducting the actual losses less the amount recovered in respect thereof under re-insurance, the agency expenses in Belize and a fair proportion of the expenses of the head office of the company;
- (b) in the case of a life insurance company, whether mutual or proprietary, the gains or profits on which tax is payable shall be the investment income less the management expenses, including commission, but where such a company received premiums outside Belize, the gains or profits shall be the same proportion of the total investment income of the company as the premiums received in Belize bore to the total premiums received after deducting from the amount so arrived at the agency expenses in Belize and a fair proportion of the expenses of the head office of the company.

Wife's income and separate returns by husband and wife.
19 of 1970.

19.-(1) The income of a married woman living with her husband shall, for the purposes of this Act, be deemed to be the income of the husband, and shall be charged in the name of the husband and not in her name nor in that of her trustee, however, that part of the total amount of tax

charged upon the husband which bears the same proportion to that total amount as the amount of the total income of the husband and wife may, if necessary, be collected from the wife, notwithstanding that no assessment has been made upon her.

(2) Notwithstanding subsection (1) of this section, amounts may be withheld on account of tax from the emoluments earned by married women during the basis year.

- (3) (a) Notwithstanding the provisions of subsection (1) of this section, the income of a married woman living with her husband shall be assessed and charged to tax as if she were unmarried if she and her husband so jointly elect in writing given to the Commissioner, and every election so made shall remain in effect until revoked by both parties in like manner. 3 of 1992.
- (b) The deduction under subsection (1)(a)(ii) and (1) (b) (ii) of section 11 of this Act shall, where the wife is separately assessed under this section, be allowed to the husband unless the spouses in their joint election state the extent of their apportionment to which any deduction thereunder shall be made in ascertaining the chargeable income of each spouse, so however that in no case shall the deduction allowed between the husband and wife exceed the deduction allowable had the assessment been made under subsection (1) hereof.
- (c) No deduction shall be allowed to a husband in any basis year in respect of his wife if assessments are made in accordance with paragraph (a) of this subsection. 4 of 1989.
- (d) Any election under this section that could have been made within any period jointly with a spouse who has died may, within that period, be made jointly with the deceased's personal representatives.

Rate of taxes upon
persons other than
companies.
7 of 1999.
16 of 1994.

20.—(1) Commencing from the first day of the basis year 1999 and for each subsequent basis year, the tax on the chargeable income of every employed person shall be charged at the rate of twenty-five *per centum* of the chargeable income.

(2) On gross interest income from time deposits, there shall be charged a tax of 5%, which shall be a final tax.

16 of 1994.

(3) On gross winnings from lottery or other similar activity, there shall be charged a tax at the rate of 15% of such winnings, which shall be a final tax.

16 of 1994.

(4) The tax specified in subsections (2) and (3) of this section shall be collected at source.

Taxes from 1999
basis year.
7 of 1999.

21.—(1) Commencing from the first day of the basis year 1999 and for each subsequent year, the tax upon the chargeable income of any person other than an employed person shall be charged at the rate of twenty-five *per centum* of the amount of the chargeable income.

10 of 2006.

Provided that the rate of tax for persons engaged in petroleum operations shall be forty *per centum* of the amount of the surchargeable income derived from such operations, and such tax shall be payable in the currency of the United States of America (US\$).

(2) The business tax paid by any person other than an employed person under Part III of this Act during the basis year shall count as a credit towards the income tax payable on such chargeable income.

(3) The excess of any business tax paid by any person other than an employed person during the basis year over the income tax due on the chargeable income of such person shall be carried forward as an expense to the next basis year.

(4) Where the income tax payable by any person during the basis year is more than the business tax paid by such person during the same basis year, the excess of income tax so payable shall be remitted by the Commissioner provided that income tax returns are duly filed by such person within such time as may be specified by the Commissioner.

(5) The *proviso* to section 21(1) of this act, comes into force on the 1st day of January 2006.

10 of 2006.

22.-(1) Every company shall upon payment of a dividend, whether tax is therefrom or not, furnish such shareholder with a certificate setting out the amount of the dividend paid to that shareholder and the amount of tax which the company has deducted or is entitled to deduct in respect of that dividend and also, where the tax paid or payable by the company is affected by double taxation relief, the rate, hereinafter in this Act referred to as “the net colonial rate”, of the tax paid or payable by the company after taking double taxation relief.

Deduction of tax from dividends.
19 of 1998.

(2) In this section the expression “double taxation relief” means any credit for foreign income tax which is allowable against income tax chargeable under this Act by virtue of arrangements having effect under section 50 of this Act, and any relief allowable under section 46 or section 47 of this act, including any credit or relief which has been taken into account in determining the net colonial rate applicable to any dividends received by the company.

23. Tax shall not be payable in respect of any income arising out of Belize which accrues to any person who is in Belize for some temporary purpose only and not with any intent to establish his residence therein and who has not actually resided in Belize at one or more times for a period equal in the whole to six months in the basis year.

Temporary residents.

PART III

Trustees and Agents, etc.

24. A receiver appointed by the court, trustee, guardian, curator or committee, having the direction, control, or management of any property or concern on behalf of any incapacitated person, shall be chargeable to tax in like manner and to the like amount as such person would be chargeable if he were not an incapacitated person.

Chargeability of trustees, etc.

25.-(1) A person not resident in Belize, in this section referred to as a non-resident person, shall be assessable and chargeable in the name of

Chargeability of agent of person residing out of Belize

his trustee, guardian, or committee, or of any attorney, factor, agent, receiver, branch, or manager, whether such attorney factor, agent, receiver, branch, or manager has the receipt of the income or not, in like manner and to the like amount as such non-resident person would be assessed and charged if he were resident in Belize and in the actual receipt of such income.

12 of 1975.
6 of 1976.

(2) In the case of any individual who is not resident in Belize, section 16 this Act, shall not apply.

(3) A non-resident person shall be assessable and chargeable in respect of any income arising, whether directly or indirectly, through or from any attorney-ship, factorship, agency, receivership, branch, or management, and shall be so assessable and chargeable in the name of the attorney, factor, agent, receiver, branch, or manager.

11 of 1964.

(4) Where a non-resident person carries on business with a resident person, and it appears to the Commissioner that owing to the close connection between the resident person and the non-resident person the course of business between those persons can be so arranged and is so arranged, that the business done by the resident person in pursuance of his connection with the non-resident person produces to the resident person either no profits or less than the ordinary profits which might be expected to arise from that business, the non-resident person shall be assessable and chargeable to tax in the name of the resident person as if the resident person were an agent of the non-resident person.

11 of 1964.

(5) Where it appears to the Commissioner that the true amount of the gains or profits of any non-resident person chargeable with tax in the name of a resident person cannot in any case be readily ascertained, the Commissioner may, if he thinks fit, assess and charge the non-resident person on a fair and reasonable percentage of the turnover of the business done by the non-resident person through or with the resident person in whose name he is chargeable as stated in subsection (4) of this section, and in such case the provisions of this Act relating to the delivery of returns or particulars by persons acting on behalf of others shall extend so as to require returns or particulars to be furnished by the resident person of the business so done by the non-resident person through or

with the resident person, in the same manner as returns or particulars are to be delivered by persons acting for incapacitated or non-resident persons of income to be charged.

(6) For the purposes of subsection (5) of this section, the amount of the percentage shall in each case be determined, having regard to the nature of the business, and shall, when determined by the Commissioner, be subject to review, objection and appeal as provided by this Act.

(7) Nothing in this section shall render a non-resident person chargeable in the name of a broker or general commission agent or other agent where such broker, general commission agent or other agent is not an authorised person carrying on the regular agency of the non-resident person, or a person chargeable as if he were an agent in pursuance of subsections (4) and (5) of this section, in respect of gains or profits arising from sales or transactions carried out through such a broker or agent.

(8) The fact that a non-resident person executes sales or carries out transactions with other non-residents in circumstances which would make him chargeable in pursuance of subsections (4) and (5) of this section, in the name of a resident person shall not of itself make him chargeable in respect of gains or profits arising from those sales or transactions.

(9) Where a non-resident person is chargeable to tax in the name of any attorney, factor, agent, receiver, branch or manager, in respect of any gains or profits arising from the sale of goods or produce manufactured or produced out of the country by the non-resident person, the person in whose name the non-resident person is so chargeable may, if he thinks fit, apply to the Commissioner or, in the case of an objection, to the Board, to have the assessment to tax in respect of those gains or profits made or amended on the basis of the profits which might reasonably be expected to have been earned by a merchant or, where the goods are retailed by or on behalf of the manufacturer or producer, by a retailer of the goods sold who has bought from the manufacturer or producer direct, and on proof to the satisfaction of the Commissioner or the Board, as the case may be, of the amount of the profits on the basis aforesaid, the assessment shall be made or amended accordingly without prejudice to any right of appeal conferred by section 43 of this Act.

11 of 1964.

Responsibilities of trustees.

26. The person who is chargeable in respect of an incapacitated person, or in whose name a non-resident is chargeable, shall be answerable for all matters required to be done by virtue of this Act for the assessment of the income of any person for whom he acts and for paying the tax chargeable thereon.

Statement to be prepared by trustees, etc.
11 of 1964.

27. Any person who in whatever capacity is in receipt of any money or value being income arising from any of the sources mentioned in this Act, or belonging to any other person who is chargeable in respect thereof, or who would be so chargeable if he were resident in Belize and not an incapacitated person shall, whenever required to do so by any notice from the Commissioner, prepare and deliver within the period mentioned in such notice a list signed by him containing,

- (a) a true and correct statement of all such income;
- (b) the name and address of every person to whom the income belongs and such other information as the Commissioner may think necessary for the purposes of this Act,

and the provisions of this Act with respect to the failure to deliver lists or particulars in accordance with a notice from the Commissioner shall apply to any such list.

Manager of corporate bodies of persons.

28. The manager or other principal officer of every corporate body of persons shall be answerable for doing all such acts, matters and things as are required to be done by virtue of this Act for the assessment of such body and payment of the tax.

Indemnification of representative.

29.—(1) Every person answerable under this Act for the payment of tax on behalf of another person may retain out of any money coming to his hands on behalf of such other person so much thereof as is sufficient to pay such tax, and shall be and is hereby indemnified against any person whatever for all payments made by him in pursuance and by virtue of this Act.

(2) With respect to every person resident in Belize having the receipt, control, or disposal of money belonging to a non-resident person who derives income from a source in Belize, the following provisions shall apply,

- (a) he shall when required by the Commissioner pay the tax due and payable by the non-resident;
- (b) he is hereby made personally liable for the tax payable by him on behalf of the non-resident to the extent of any amount that he has retained or should have retained under subsection (1) of this section, but he shall not be otherwise personally liable for the tax.

11 of 1964.

(3) For the purpose of this section every person who is liable under any contract to pay money to a non-resident shall be deemed to be a person having the control of money and to be acting in a representative capacity for the payment of income tax chargeable on the non-resident, and all money due by him under the contract shall be deemed to be money which comes to him on behalf of the non-resident.

30.—(1) Subject to subsection (2) of this section, when any person dies during the basis year and such person would but for his death have been chargeable to tax for the year of assessment, or when any person dies during the year of assessment or within two years after the expiration thereof and no assessment has been made upon him for that year, the personal representative of such person shall be liable to and charged with the payment of the tax with which such person would have been chargeable, and shall be answerable for doing all such acts, matters and things as such person if he were alive would be liable to do under this Act.

Deceased persons.

(2) In the case of a person dying during the basis year, if his personal representative distributes his estate before the commencement of the year of assessment, such personal representative shall pay the tax at the rate or rates in force at the date of distribution of the estate, if the rate of tax for the year of assessment has not been fixed at that date.

PART IV

Powers , etc. of Commissioner and the Board.

Returns.
19 of 1970.

31.—(1) Every person who is chargeable to tax shall, without notice or demand, file with the Commissioner on or before the last day of the third month following the end of the basis year a return of income for that year in the form prescribed and containing the information prescribed.

(2) Notwithstanding subsection (1) of this section, an employee need not file a return if his only income was emoluments except,

(a) when claiming a refund of tax deducted by the employer;

3 of 1971.

(b) when requested by the Commissioner so to do; or

(c) where, on or after the end of the basis year, the amount of tax payable on income for such basis year is not fully paid.

11 of 1964.

(3) The Commissioner may by notice in writing require any person to furnish him within a specified time with a return of income and such particulars as may be required for the purposes of this Act to enable him to ascertain the income of such person and, in particular, may require any person to produce all books or other documents in his custody or under his control relating to such income.

11 of 1964.

(4) Every person, whether he is or is not liable to pay income tax, upon whom the Commissioner may cause a notice to be served requiring him to make and deliver a return of his income, shall, within fifteen days after the service of such notice, make and deliver to the Commissioner a return as aforesaid.

3 of 1971.
7 of 1982.

(5) A person who fails to deliver any return of income under this section within the time specified, or within such extended period of time as the Commissioner may allow, shall pay to the Commissioner a penalty of three *per cent* of the tax that was unpaid when the return was required

to be filed for each month or part of a month in which the return was not delivered continuing for a period of twenty months.

(6) Any penalty levied under subsection (5) of this section may be varied or discharged by the Income Tax Appeal Board appointed under section 3 (3) of this Act (notwithstanding that no question of assessment is involved) upon proof of reasonable cause for the default.

(7) A penalty under subsection (5) of this section, shall not be levied where the return was filed under subsection (2)(a) of this section, for the sole purpose of claiming a refund.

(8) Every person required by this section to file a return of income shall in the return estimate the amount of tax payable in respect thereof.

19 of 1997.

32.—(1) Every employer or other person who is or may be required by this Act or rules made thereunder to collect or pay any tax or other amount shall keep in the country records and books of account including an annual inventory in such form and containing such information as will enable the amounts of the taxes payable under this Act or the taxes or other amounts that should have been deducted, withheld or collected to be determined.

Accounts and records.
3 of 1971.

(2) Notwithstanding the generality of subsection (1) of this section, every person carrying on a profession or business in which charges are made for services rendered to members of the public shall make a separate record of every service transaction made in the course of that profession or business except where otherwise authorised in writing by the Commissioner.

(3) Where a person has failed to keep records and books of account adequate for the purposes of this Act, the Commissioner may require him to keep such records and books of account as he may specify and that person shall thereafter keep records and books of account as so required.

(4) Every person required by this section to keep records and books of account shall retain every record or book of account and every account, voucher or other record necessary to verify such record or book

of account for a period of six years or until written permission for their earlier disposal is obtained from the Commissioner.

(5) Every person who contravenes any of the provisions of this section is guilty of an offence.

Audit and ancillary powers.
3 of 1971.

33.—(1) The Commissioner or a senior officer of his department who has been authorised by him may, for any purpose related to the administration or enforcement of this Act, at any reasonable time having regard to the regular working hours and the related circumstances of the particular business, and on production of his letter of authorization, enter into any premises or place where a business is carried on or any property is kept or anything is done in connection with the business or any books or records are or should be kept pursuant to this Act and may,

- (a) audit or examine the books and records and any account, voucher, letters, telegram or other documents which relate or may relate to the information that is or should be in the books or records or to the amount of tax payable under this Act;
- (b) examine property described by an inventory or any property, process or matter, an examination of which may, in his opinion, assist in determining the accuracy of an inventory or in ascertaining the information that is or should be in the books or records or in determining the amount of tax payable under this Act;
- (c) require the owner or manager of the property or business and any other person on the premises or place to give him all reasonable assistance with his audit or examination either orally or, if he so require, in writing, on oath or otherwise and, for that purpose, require the owner or manager to attend at the premises or place with him; and
- (d) if during the course of such an audit or examination it appears to him that there has been a violation of this Act or a rule made thereunder, seize, take away and

retain any of the records, books, accounts, vouchers, letters, telegrams and other documents that appear to be relevant.

(2) Any records, books, accounts, vouchers, letters, telegrams and other documents that are so seized or taken away shall be returned immediately if on appeal the Board is not satisfied that a violation of the Act appears to have been committed (notwithstanding that no question of assessment is involved).

(3) An appeal made to the Board against any action by a person authorised by the Commissioner to conduct an audit or examination under subsection (1)(d) of this section, shall be lodged with the Chairperson of the Board within seven days of the date of seizure. The decision of the Board on this matter shall be final.

(4) The Commissioner may, for any purpose related to the administration or enforcement of this Act, by not less than seven days notice in writing, require any person to attend before him and give evidence on oath and to produce on oath all relevant books, letters, accounts, invoices, statements or other documents in his possession or control.

(5) The Commissioner may, for any purpose related to the administration or enforcement of this Act, authorize in writing any senior officer of his department when accompanied by a Police Officer to enter and search, by force, if necessary, any building, receptacle or place for documents, books, records or other things which may afford evidence of a violation of this Act or of a rule made thereunder and to seize, take away and retain any such documents, books, records or other things.

(6) Where any book, record or other document has been seized, examined or produced under this section, the person by whom it was seized or examined or to whom it was produced may make, or cause to be made, one or more copies thereof and in any case in which the person to whom the original document was returned refuses or neglects to produce the original document in court, after having been required to do so by the Commissioner, a document purporting to be certified by the Commissioner to be a copy made pursuant to this subsection shall be

admissible in evidence and shall be conclusive evidence of the contents of the original document.

(7) Any person who hinders, molests or in any way interferes with any person, in the exercise of this authority under this section is guilty of an offence.

Official information and official secrecy.
11 of 1964.

34.—(1) The Commissioner may require any officer in the employment of the Government or any municipality or other public body to supply such particulars as may be required for the purposes of this Act and which may be in the possession of such officer.

(2) No officer mentioned in subsection (1) of this section, shall by virtue of this section be obliged to disclose any particulars as to which he is under any statutory obligation to observe secrecy.

19 of 1970.

(3) Every employer, agent, contractor or other person when required to do so by notice from the Commissioner shall within the time limited in the notice, prepare and deliver a return or returns containing such information as the Commissioner may think necessary for the purposes of this Act, and the provisions of this Act with respect to the failure to deliver returns or particulars in accordance with a notice from the Commissioner shall apply to any such return or returns.

(4) Where the employer, agent, contractor or other person is a body of persons the manager or other principal officer shall be deemed to be the employer for the purposes of this section, and any director of a company, or person engaged in the management of a company, shall be deemed to be a person employed.

19 of 1970.

(5) Notwithstanding subsections (1) and (3) of this section, the Minister may make rules requiring any person to prepare and deliver returns containing any information required under this Act at such times and in such form as may be prescribed.

Partnerships.

35.—(1) Where a trade, business, profession or vocation is carried on by two or more persons jointly,

- (a) the income of any partner from the partnership shall be deemed to be the share to which he was entitled during the basis year in the income of the partnership, such income being ascertained in accordance with the provisions of this Act, and shall be included in the return of income to be made by such partner under this Act;
- (b) the precedent partner shall, when required by the Commissioner, make and deliver a return of the income of the partnership for any year, such income being ascertained in accordance with the provisions of this Act, and declare therein the names and addresses of the other partners in the firm together with the amount of the share of the said income to which each partner was entitled for that year;
- (c) where no partner is resident in Belize, the return shall be made and delivered by the attorney, agent, manager or factor of the firm resident in Belize;
- (d) the provisions of this Act with respect to the failure to deliver returns or particulars in accordance with a notice from the Commissioner shall apply to any return required under this section.

(2) In this section “precedent partner” means the partner who of the partners resident in Belize,

- (a) is first named in the agreement of partnership;
- (b) if there be no agreement, is named singly or with precedence to the other partners in the usual name of the firm; or
- (c) is the precedent acting partner if the partner named with precedence is not an acting partner.

Signature of notices.
1 of 1967.

36.—(1) Every notice to be given by the Board or the Commissioner under this Act shall be signed by a member of the Board or the Commissioner, as the case may be, or by some person or persons from time to time appointed by the Board or by the Commissioner for the purpose, and such notice shall be valid if the signature of a member of the Board or of the Commissioner, as the case may be, or of such person or persons is duly printed or written thereon,

Provided that any notice in writing under this Act to any person requiring him to furnish particulars to the Board or to the Commissioner or any notice under this Act requiring the attendance of any person or witness before the Board or the Commissioner, shall be personally signed by the Commissioner or a member of the Board or by any person duly authorised by the Commissioner or the Board, as the case may be.

(2) A signature attached to any notice and purporting to be the signature of any person so appointed shall be taken to be the signature of that person until the contrary be shown.

Service of notices.

37. Notice may be served on a person either personally or by being sent through registered post to his last known business or private address, and shall in the latter case be deemed to have been served, in the case of persons resident in Belize, not later than the tenth day succeeding the day when posted, and in the case of persons not so resident, the tenth day succeeding the day on which the notice would have been received in the ordinary course by post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

Commissioner to make assessments.
11 of 1964.
3 of 1971.
8 of 1997.
19 of 1998.

38.—(1) The Commissioner shall with all due dispatch assess the tax for the basis year and levy any penalty that may be payable.

(2) Where a person has delivered a return, the Commissioner may,

(a) accept the return and make an assessment accordingly;
or

- (b) refuse to accept the return, and, to the best of his judgment, determine the amount of the chargeable income of the person and assess him accordingly.

(3) Where a person has not delivered a return and the Commissioner is of the opinion that such person is liable to pay tax, he may, according to the best of his judgment, determine the amount of the chargeable income of such person and assess him accordingly, but such assessment shall not affect any liability otherwise incurred by such person by reason of his failure or neglect to deliver a return.

(4) If the Commissioner,

- (a) has refused to accept the return of income rendered and charged a person to income tax in respect of a sum in excess of the amount of income stated in the return by such person, or
- (b) discovers that a charge to income tax in respect of a sum in excess of such amount ought to be made, and an assessment is made at any time within the year of assessment or within six years after the expiration thereof,

the Commissioner, if satisfied that the act of omission or commission amounts to fraud, art or contrivance, or gross and wilfull neglect on the part of the person assessed or to be assessed, may charge such person, in respect of such excess, additional income tax and surtaxes not exceeding double the amount of the income tax and surtax payable on the excess.

(5) If a person has been assessed to income tax and it is discovered that he was assessed on an amount less than the amount on which he should have been assessed the Commissioner shall assess to income tax the additional amount discovered and, unless the person has voluntarily reported the omission or error before the due date for filing of the return of income or before the assessment is made the Commissioner shall in addition charge a sum equal to ten *per cent* of the additional tax.

3 of 1971.

(6) Any additional tax charged under this section shall be added to the assessment, and shall be collected and levied in a like manner as any tax included in such assessment may be collected and levied.

(7) The Commissioner, in any case for reasons which may appear to him sufficient, may, on appeal, remit the additional tax or any part thereof.

(8) Liability for tax shall not be affected by the fact that no assessment has been made.

39. Where it appears to the Commissioner that any person liable to tax has not been assessed or has been assessed at a less amount than that which ought to have been charged, the Commissioner may, within the year of assessment or within six years after the expiration thereof, assess such person at such amount or additional amount, as according to his judgment ought to have been charged, and the provisions of this Act as to notice of assessment, appeal and other proceedings under this Act shall apply to such assessment or additional assessment and to the tax charged thereunder.

40.—(1) The Commissioner shall as soon as possible prepare a record of persons assessed to tax.

(2) Such records, in this Act hereinafter called the assessment records, shall contain the names and addresses of the persons assessed to tax, the amount of the chargeable income of each person, the amount of tax payable by him, and such other particulars as may be prescribed.

41.—(1) For the purpose of facilitating the assessment of the income of persons residing in the United Kingdom, the Minister may appoint an agent in the United Kingdom who shall make enquires on behalf of the Commissioner in respect of any such person as may apply to be dealt with through such agent and shall ascertain and report to the Commissioner the amount of the chargeable income of such person in accordance with this Act and shall forward to the Commissioner the accounts and computations upon which his report is based.

3 of 1971.

Additional assess-
ments.
11 of 1964.

Record of persons
assessed and no-
tice of assessment.
11 of 1964.

Appointment of
agent in the U.K.
40 of 1963.
11 of 1964.

(2) The Commissioner on receipt of the report shall enter the amount reported in the assessment records, however,

4 of 1962.

- (a) if it appears to the Commissioner that any error has occurred in the accounts or computation he may refer the report back for further consideration; and
- (b) nothing in this section shall prevent an objection to the Board or an appeal on a point of law to a judge conferred by sections 42 and 43 of this Act.

42.—(1) The Commissioner shall cause to be served personally or sent by registered post to each person whose name appears in the assessment records, a notice addressed to him at his usual place of abode or business stating the amount of his chargeable income and amount of the tax payable by him and informing him of his rights under subsections (2) and (4) of this section, and of the provisions of subsection (8) of this Act.

Powers of Commissioner and the Board.
11 of 1964.

(2) If any person disputes the assessment he may apply to the Commissioner by notice in writing to review and to revise the assessment made upon him and such notice shall state the precise grounds on which the assessment is disputed.

(3) In the event of any person assessed who has disputed an assessment agreeing with the Commissioner as to the amount at which he is liable to be assessed, the assessment, where necessary, shall be amended accordingly and notice of the tax payable shall be served upon such person.

(4) If any person assessed who has disputed an assessment made upon him shall fail to agree with the Commissioner as to the amount at which he is liable to be assessed, the Commissioner shall in writing notify him of the amount at which he has been assessed and the person disputing the assessment may, in writing by a notice of objection setting out as the grounds of his objection the grounds stated in the application made under subsection (2) of this section, apply to the Board requesting it to hear and determine his objection.

(5) On an objection against an assessment made to the Board, the onus of proving that the assessment complained of is excessive shall be on the appellant.

(6) On receipt of a notice of objection, a meeting of the Board shall be summoned to hear the objection of the person assessed, and the Board may,

- (a) require the person assessed and the Commissioner to furnish such particulars as the Board may think necessary in order to ascertain the income or to determine the amount of tax payable;
- (b) require the person assessed and the Commissioner to produce all books or other documents in their custody or under their control relating to such income;
- (c) summon any person who the Board thinks is able to give evidence respecting the assessment to attend before the Board;
- (d) examine either on oath or otherwise the person assessed, the Commissioner and any other person attending before them (except the clerk, agent or other person confidentially employed in the affairs of the person assessed) by whom evidence is to be given.

(7) When the Board has heard the objection and determined the amount of the assessment, any necessary amendment shall be made in the amount assessed reducing it by the amount overcharged or increasing it by the amount undercharged and notice of the amount of tax, if any, payable shall be served upon the person assessed and that amount of tax shall, subject to section 43, be the tax payable.

(8) Subject to subsection (9) of this section, the notice to be sent under subsection (2) of this section shall be sent within fifteen days from the date of the service of the notice of assessment and the notice of objection to be sent under subsection (4) of this section, shall be sent

within fifteen days from the date of service of the notification of the amount of the assessment sent by the Commissioner under subsection (4) of this section.

(9) Where owing to absence from the country, sickness or other reasonable cause, the Board is satisfied on an application to that effect made by a person wishing to dispute or object to an assessment that such person was unable within the time mentioned in this section to make his application to the Commissioner for a review or revision of the assessment or that having made such application he was unable within the time mentioned in this section to serve a notice of objection on the Board, the Board by notice in writing addressed to such person and to the Commissioner may grant such extension of time as the Board considers reasonable in the circumstances.

43.—(1) If either the Commissioner or a person whose objection has been determined by the Board is dissatisfied with the decision of the Board on the ground that the decision was erroneous in point of law, he may appeal to a judge in chambers to hear and determine any question of law arising on the objection and the decision of the Board, upon giving notice in writing to the other party to the proceedings before the Board within thirty days from the date of the decision of the Board.

Appeals against
assessments.
11 of 1964.
4 of 1976.

(2) Notwithstanding the lapse of such period of thirty days, any person may appeal against the said assessment if he shows to the satisfaction of a judge that, owing to absence from the country, sickness or other reasonable cause, he was prevented from giving notice of appeal within such period, and that there has been no unreasonable delay on his part.

(3) Any person who appeals against an assessment shall attend before a judge in person on the day and at the time fixed for the hearing of his appeal.

4 of 1967.

(4) If it be proved to the satisfaction of a judge that owing to the absence from Belize, sickness, or other reasonable cause, any person is prevented from attending in person at the hearing of his appeal on the day and at the time fixed for that purpose, a judge may postpone the hearing

4 of 1967.

of the appeal for such reasonable time as he thinks necessary for the attendance of the appellant, or he may admit the appeal to be made by any agent, clerk or servant of the appellant, on his behalf.

11 of 1964. (5) Ten clear days' notice shall, unless rules made hereunder otherwise provide, be given to the appellant and respondent of the date fixed for the hearing of the appeal.

11 of 1964. (6) The onus of proving that the assessment or any part thereof is wrong shall be on the appellant.

4 of 1967. (7) If a judge is satisfied that the appellant is overcharged he may reduce the amount of the assessment by the amount of the overcharge, and if he is satisfied that the appellant is undercharged, he may increase the amount of the assessment by the amount of the undercharge.

11 of 1964.
4 of 1967. (8) Notice of the amount of tax payable under the assessment as determined by a judge shall be served by the Commissioner upon the appellant.

4 of 1967. (9) All appeals shall be heard *in camera*, unless a judge shall, on the application of the appellant, otherwise direct.

4 of 1967. (10) The costs of the appeal shall be in the discretion of the judge hearing the appeal, and shall be a sum fixed by the judge.

4 of 1967. (11) The judge may make rules governing such appeals and providing for the method of tendering evidence.

4 of 1967. (12) The decision of a judge shall be final, but a judge if he so desires may, and on the application of the appellant or of the Commissioner, shall, state a case on a question of law for the decision of Her Majesty in Council under the provisions of the Privy Council Appeals Act, Cap. 92.

Errors, etc., in
assessments and
notices.

44.-(1) No assessment, warrant or other proceeding, purporting to be made in accordance with the provisions of this Act, shall be quashed, deemed to be void or voidable, for want of form, or be affected by the reason of a mistake, defect or omission therein, if it is in substance and effect in conformity with or according to the intent and meaning of this

Act or any Act amending it, and if the person assessed or intended to be assessed or affected thereby is designated therein according to common intent and understanding.

- (2) An assessment shall not be impeached or affected,
- (a) by reason of a mistake therein as to ,
 - (i) the name or surname of a person liable;
 - (ii) the description of any income; or
 - (iii) the amount of tax charged;
 - (b) by reason of any variance between the assessment and the notice thereof.

(3) In cases of assessment the notice thereof shall be duly served on the person intended to be charged and such notice shall contain, in substance and effect, the particulars on which the assessment is made.

45. The production of any document under the hand of a member of the Board or the Commissioner or of any person or persons appointed by the Board or the Commissioner purporting to be a copy of or extract from any return or assessment shall in all courts and in all proceedings be sufficient evidence of the original, and the production of the original shall not be necessary, and all courts shall in all proceedings take judicial notice of the signatures of a member of the Board or the Commissioner or of any person or persons appointed by the Board or the Commissioner either to the original or to such copy or extract.

Evidence.
11 of 1964.

PART V

Relief in Cases of Double Taxation

46.—(1) Any person who has paid, by deduction or otherwise, or is liable to pay tax, under this Act for any year of assessment on any part of his income and who proves to the satisfaction of the Commissioner that he

Relief in respect
of United King-
dom income tax.
11 of 1964.

has paid by deduction or otherwise or is liable to pay income tax in the United Kingdom for that year in respect of the same part of his income, shall be entitled to relief from tax under this Act paid or payable by him on that part of his income at a rate equal to the amount by which the rate of tax appropriate to his case under this Act exceeds half the appropriate rate for United Kingdom tax.

(2) If, however, the rate of tax appropriate to his case under this Act exceeds the appropriate rate of United Kingdom tax he shall be entitled only to relief at a rate equal to half the appropriate rate of United Kingdom tax: Provided that where in the case of any individual but for this *proviso* the amount of tax payable under this Act after allowance of any relief under subsection (1) of this section, when added to the amount of income tax payable in the United Kingdom in respect of the same part of his income after allowance of such relief as is granted by section 27 of the Finance Act 1920, which amount is hereinafter referred to as “the net United Kingdom tax” would exceed the greater of the amounts of tax which, but for the reliefs aforesaid, would be payable under this Act and in United Kingdom respectively which amounts are hereinafter referred to respectively as “the gross Colonial tax” and “the gross United Kingdom tax”, the Commissioner may, if he is satisfied that special hardship would otherwise be caused, grant such additional relief from the tax payable under this Act as he may think fit up to an amount sufficient to reduce the net tax so payable to an amount which when added to the net United Kingdom tax, will be equivalent to the gross Colonial tax or the gross United Kingdom tax, whichever is the greater.

(3) For the purposes of this section a certificate issued by or on behalf of the Commissioners of Inland Revenue in the United Kingdom shall be receivable in evidence to show what is the appropriate rate of United Kingdom tax or the net United Kingdom tax in any particular case.

(4) For the purposes of this section, the expression “rate of tax”, when applied to tax paid or payable under this Act means the rate determined by dividing the amount of the tax paid or payable for any year before the deduction of the relief granted under this section by the amount of the income in respect of which the tax paid or payable under this Act has been charged for that year, except that where the income which is the subject

of a claim to relief under this section is computed by reference to section 25 of this Act on an amount other than the ascertained amount of the actual profits, the rate of tax shall be determined by the Commissioner.

47.-(1) If any person resident in Belize who has paid, by deduction or otherwise, or is liable to pay, tax under this Act for any year of assessment or any part of his income, proves to the satisfaction of the Commissioner that he has paid by deduction or otherwise, or is liable to pay, Commonwealth income tax for that year in respect of the same part of his income, he shall be entitled to relief from tax in Belize paid or payable by him or her on that part of his or her income at a rate thereon to be determined as follows,

Relief in respect
of Commonwealth
Income Tax.
11 of 1964.

- (a) if the Commonwealth rate of tax does not exceed one-half of the rate of tax appropriate to his case under this Act in Belize the rate at which relief is to be given shall be the Commonwealth rate of tax;
- (b) in any other case the rate at which relief is to be given shall be half the rate of tax appropriate to his or her case under this Act.

(2) If any person not resident in Belize who has paid, by deduction or otherwise, or is liable to pay tax under this Act for any year of assessment on any part of his or her income, proves to the satisfaction of the Commissioner that he or she has paid, by deduction or otherwise, or is liable to pay, Commonwealth income tax for that year of assessment in respect of the same part of his or her income, he shall be entitled to relief from tax paid or payable by him or her under this Act on that part of his or her income at a rate thereon to be determined as follows,

- (a) if the Commonwealth rate of tax appropriate to his or her case does not exceed the rate of tax appropriate to his or her case under this Act, the rate at which relief is to be given shall be one-half of the Commonwealth rate of tax;

- (b) if the Commonwealth rate of tax appropriate to his or her case exceeds the rate of tax appropriate to his or her case under this Act, the rate at which relief is to be given shall be equal to the amount by which the rate of tax appropriate to his case under this Act exceeds one-half of the Commonwealth rate of tax.

(3) For the purposes of this section, Commonwealth income tax means any income tax charged under any law in force in a Commonwealth country or in any place under Her Majesty's protection other than the United Kingdom or Belize, where the legislature of that country or place has provided for relief in respect of tax charged on income both in that country or place and in Belize in a manner similar to that provided in this section.

(4) For the purposes of this section, the rate of tax under this Act shall be computed in the manner provided by section 46 (3) of this Act, and the Commonwealth rate of tax shall be computed in a similar manner.

(5) Where a person is for any year of assessment resident both in Belize and in a part or place in which Commonwealth income tax is charged, he shall for the purposes of this section be deemed to be resident where during that year he resides for the longer period.

Time for making claim.

48.—(1) Subject to subsection (2) of this section, a claim for relief under section 46 or 47 of this Act, shall be made within two years from the end of the year of assessment to which it relates.

(2) A claim for relief under section 46 or 47 of this Act, though not made within the said period of two years, shall be admitted if made within six months from the date upon which the relevant amount of United Kingdom income tax or of Commonwealth income tax, as the case may be, has been ascertained.

Official secrecy.

49. Where, under any law in force in a Commonwealth country or in any place under Her Majesty's protection, provision is made for the allowance of relief from income tax in respect of the payment of income tax in Belize, the obligation as to secrecy imposed by section 4 of this

Act, shall not prevent the disclosure to the authorised officers of the Government in that Commonwealth country or in that place under Her Majesty's protection of such facts as may be necessary to enable the proper relief to be given in cases where relief is claimed from income tax in Belize or from income tax in that part or place aforesaid.

50.—(1) If the Minister by Order declares that arrangements specified in the Order have been made with the Government of any territory outside Belize with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of that territory, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to income tax notwithstanding anything in any enactment.

Double taxation
arrangements.
40 of 1963.

(2) On the making of an Order under this section with respect to arrangements relating to the United Kingdom, section 46 shall cease to have effect except in so far as the arrangements otherwise provide.

(3) On the making of an Order under this section with respect to arrangements relating to any Commonwealth country other than the United Kingdom, or Belize, section 47 of this Act, shall cease to have effect as respects that territory except in so far as the arrangements otherwise provide.

(4) Any Order made under this section may be revoked by a subsequent Order.

(5) Where any arrangements have effect by virtue of this section, the obligation as to secrecy imposed by section 4 of this Act shall not prevent the disclosure to any authorised officer of the Government with which the arrangements are made of such information as is required to be disclosed under the arrangements.

(6) The Minister may make rules for carrying out the provisions of any arrangements having effect under this section.

51.—(1) The provisions of this section shall have effect where, under arrangements having effect under section 50 of this Act, tax payable in

Tax credits.

respect of any income in the territory with the Government of which the arrangements are made is to be allowed as a credit against tax payable in respect of that income in Belize, and in this section the expression “foreign tax” means any tax payable in that territory which under the arrangements is to be so allowed and the expression “income tax” means tax chargeable under this Act.

(2) The amount of the income tax chargeable in respect of the income shall be reduced by the amount of the credit, but credit shall not be allowed against income tax for any year of assessment unless the person entitled to the income is resident in Belize for that year.

(3) The credit shall not exceed the amount which would be produced by computing the amount of the income in accordance with the provisions of this Act and then charging it to income tax at a rate ascertained by dividing the income tax chargeable before allowance of credit under any arrangements having effect under section 50 of this Act, on the total income of the person entitled to the income by the amount of his or her total income.

(4) Without prejudice to subsection (5) of this section, the total credit to be allowed to a person for any year of assessment for foreign tax under all arrangements having effect under section 50 of this Act, shall not exceed the total income tax payable by him or her for that year of assessment, less any tax payable by him or her.

(5) In computing the amount of the income,

- (a) no deduction shall be allowed in respect of foreign tax whether in respect of the same or any other income;
- (b) where the income tax chargeable depends on the amount received in Belize, the said amount shall be increased by the appropriate amount of the foreign tax in respect of the income;
- (c) where the income includes a dividend and under the arrangements foreign tax not chargeable directly

or by deduction in respect of the dividend is to be taken into account in considering whether any, and, if so, what credit is to be given against income tax in respect of the dividend, the amount of the income shall be increased by the amount of the foreign tax not so chargeable which falls to be taken into account in computing the amount of the credit, but notwithstanding anything in paragraphs (a) and (b) of this subsection, a deduction shall be allowed of any amount by which the foreign tax in respect of the income exceeds the credit therefor.

(6) Paragraphs (a) and (b) of subsection (5) of this section, but not paragraph (c) shall apply to the computation of total income for the purposes of determining the rate mentioned in subsection (3) of this section, and of which credit falls to be given for foreign tax under arrangements for the being in force under section 50 of this Act.

(7) Where,

- (a) the arrangements provide, in relation to dividends of some classes, but not in relation to dividends of other classes, that foreign tax not chargeable directly or by deduction in respect of dividends is to be taken into account in considering whether any, and, if so, what credit is to be given against income tax in respect of the dividends, and
- (b) a dividend is paid which is not of a class in relation to which the arrangements so provide,

then, if the dividend is paid to a company which controls, directly or indirectly, not less than one-half of the voting power in the company paying the dividend, credit shall be allowed as if the dividend were a dividend of a class in relation to which the arrangements so provide.

(8) Credit shall not be allowed under the arrangements against income tax chargeable in respect of the income of any person for any year of

assessment if he elects that credit shall not be allowed in the case of his income for that year.

11 of 1964.

(9) Any claim for an allowance by way of credit shall be made not later than two years after the end of the year of assessment, and in the event of any dispute as to the amount allowable, the claim shall be subject to review, objection and appeal in like manner as an assessment.

(10) Where the amount of any credit given under the arrangements is rendered excessive or insufficient by reason of any adjustment of the amount of any tax payable either in Belize or elsewhere, nothing in this Act limiting the time for the making of assessments or claims for relief shall apply to any assessment or claim to which the adjustment give rise, being an assessment or claim made not later than two years from the time when all such assessments, adjustments and other determinations have been made, whether in Belize or elsewhere, as are material in determining whether any, and, if so, what credit falls to be given.

Double taxation relief applicable to dividends.

52.—(1) Where the tax paid or payable by a company is affected by double relief, the amount to be set off under section 51 to be repaid under section 61 of this Act, in respect of the tax deductible from any dividend paid by the company shall be reduced as follows,

- (a) if no tax is chargeable on the recipient in respect of the dividend, the reduction shall be an amount equal to tax on the gross dividend at the rate of double taxation relief applicable thereto;
- (b) if the rate of tax chargeable on the recipient in respect of the dividend is less than the rate of double taxation relief applicable to the dividend, the reduction shall be an amount equal to tax on the gross dividend at the difference between those two rates.

(2) For the purposes of this section,

- (a) if the income of the person chargeable includes one dividend such as is mentioned in subsection (1) of

this section, that dividend shall be deemed to be the highest part of his income;

- (b) if his income includes more than one such dividend, a dividend shall be deemed to be a higher part of his income than another dividend if the net Colonial rate applicable to the former dividend is lower than that applicable to the latter dividend;
- (c) where tax is chargeable at different rates in respect of different parts of any such dividend, or where tax is chargeable in respect of some part of any such dividend and is not chargeable in respect of some other part thereof, each part shall be deemed to be a separate dividend;
- (d) the expression “double taxation relief ” has the same meaning as in section 22 of this Act, and the expression “the rate of double taxation relief” means the rate which represents the excess of the rate of tax deductible from the dividend over the net Colonial rate applicable thereto.

PART VI

Collection, Repayment and Recovery, etc. of Tax

53.—(1) The Commissioner shall from time to time deliver to the Chief Collector certified extracts from the assessment records containing the names and addresses of the persons assessed together with the amount of tax payable by each person.

Extracts from assessment lists to be sent to collector.
11 of 1964.
7 of 1999.

(2) A notice of a review or an objection or an appeal against the assessment made by the Commissioner shall not result in the suspension of such assessment, and the entire tax due as determined by the Commissioner shall be payable before any such review, objection or appeal is entertained.

7 of 1999.

(3) The Chief Collector shall in every case enforce payment of the tax as assessed by the Commissioner irrespective of any pending review, objection or appeal.

(4) Where any review, objection or appeal as aforesaid results in less tax being payable by the taxpayer than that assessed by the Commissioner, the excess tax paid by the taxpayer shall, subject to any further appeal by the Commissioner or the taxpayer, be promptly refunded to the taxpayer with interest thereon from the date of payment of such excess tax until the date of such refund, at such rate of interest as may be determined by the person or body conducting or hearing the review, objection or appeal, as the case may be.

Tax payment period.

54. Tax shall be payable within the period prescribed.

Penalty for non-payment of tax and enforcement of payment.

55. If any tax is not within the period prescribed,

3 of 1971.
3 of 1984.
16 of 1994.

(a) a sum equal to 1½ *per cent* of the amount of the tax not paid shall be added thereto per month commencing the day following the last day of the prescribed period and continuing until the date of payment, and the provisions of this Act relating to collection and recovery of tax shall apply to the collection and recovery of such sum;

(b) the Chief Collector shall serve a demand note upon the person assessed, and if payment is not made within thirty days from the date of the service of such demand note, the Chief Collector may proceed to enforce payment as provided in sections 57 to 59 of this Act.

Collection of tax after determination of objection or appeal.

16 of 1994.

56.—(1) Where payment of tax in whole or in part has been held over pending the result of a review or of a notice of objection or of an appeal, the tax outstanding under the assessment as determined on such review, objection or appeal, as the case may be, shall be payable within thirty days from the receipt by the person assessed of the notification of the tax payable.

(2) Notwithstanding the provisions of subsection (1) of this section, where as a result of review, objection, or appeal, as the case may be, some tax (whether more or less than the original tax assessed) remains payable by the taxpayer, such tax shall be deemed as arrears of tax and the provisions of section 55 of this Act relating to penalty shall apply to such tax.

57. All taxes, penalties, costs or other amounts payable under this Act, or under rules made thereunder, are debts due to the State and recoverable as such in any court of competent jurisdiction or in any other manner provided by this Act.

Debt to the State.
3 of 1971.

58.—(1) When the Commissioner has knowledge or suspects that a person is or is about to become indebted to or is otherwise liable to make a payment to a person who has failed to make a payment due under this Act or under rules made thereunder, the Commissioner may, by registered letter or by letter served personally, require such first mentioned person to pay the moneys otherwise payable to such second mentioned person in whole or in part to the Commissioner on account of the liability of the second mentioned person to make a payment due under this Act or rules made thereunder.

Garnishment of
debts.
3 of 1971.

(2) The receipt of the Commissioner for moneys paid as required under this section shall be to the extent of payment a good and sufficient discharge of the original debt or other liability.

(3) Where the Commissioner pursuant to subsection (1) of this section, has required an employer to pay to him on account of an employee's liability under this Act or rules made thereunder moneys otherwise payable by the employer to the employee as emoluments, the requirements shall apply to all future payments by the employer to the employee in respect of emoluments until such liability is satisfied, and shall operate to require payments to the Commissioner out of each payment of emoluments of such amounts as may be required by the Commissioner.

(4) Any person, who has made any payment by way of satisfaction, in whole or in part, of any debt or other liability due to another person and has failed to comply with any requirement of the Commissioner under

this section, is liable to pay to the State an amount equal to the amount paid by way of such satisfaction or the amount which he was required to pay the Commissioner, whichever be the less.

(5) Notwithstanding subsection (1) of this section, where the person who is or is about to become so indebted or otherwise liable carries on business under a name or style other than his own name, the registered or other letter containing the Commissioner's requirement may be addressed in the name or style under which he carries on business and in the case of personal service shall be deemed to have been served if it is left with an adult person at the place of business of the addressee.

(6) Notwithstanding subsection (1) of this section, where the persons who are or are about to become so indebted or otherwise liable carry on business as a partnership, the registered or other letter containing the Commissioner's requirement may be addressed in the partnership name and in the case of personal service shall be deemed to have been served if it has been served on any one of the partners or has been left with an adult person employed at the place of business of the partnership.

(7) For the purposes of this section "Commissioner" includes any officer or other person from time to time authorized by the Commissioner to act pursuant thereto.

59.—(1) If in any particular case the Commissioner has reason to believe that a person who has been assessed to tax may leave Belize before the tax becomes payable under section 53, 54 or 55 of this Act, without having paid such tax, he may by notice in writing to such person demand payment of the tax within the time to be limited in the notice.

(2) Such tax shall thereupon be payable at the expiration of the time so limited and shall in default of payment, unless security for payment thereof be given to the satisfaction of the Commissioner, be recoverable forthwith in the manner prescribed by section 57 of this Act.

(3) If in any particular case the Commissioner has reason to believe that tax upon any chargeable income may not be recovered, he may at anytime and as the case may require,

Recovery of tax in
certain cases.
11 of 1964.

- (a) forthwith by notice in writing require any person to make a return and to furnish particulars of any such income within the time to be specified in such notice;
- (b) make an assessment upon such person in the amount of the income returned; or if default is made in making such return or the Commissioner is dissatisfied with such return, in such amount as the Commissioner may think reasonable;
- (c) by notice in writing to the person assessed require that security for the payment of the tax assessed be forthwith given to his satisfaction.

(4) If in any particular case the Commissioner has reason to believe that tax upon any income which would upon the issue of a proclamation imposing tax for any year of assessment become chargeable to such tax may not be recovered he may at any time,

- (a) by notice in writing to the person by whom the tax would be payable determine a period for which tax shall be charged and require such person to render within the time specified therein returns and particulars of such income for that period;
- (b) make an assessment upon such person in the amount of the income returned or, if default is made in making a return or the Commissioner is dissatisfied with such return, in such amount as the Commissioner may think reasonable, and such assessment shall be made at the rate of tax imposed by the last preceding proclamation.

(5) Notice of any assessment made in accordance with subsections (3) and (4) of this section shall be given to the person assessed, and any tax so assessed in accordance with subsections (3) and (4) of this section shall be payable on demand made in writing under the hand of the Commissioner and shall in default of payment, unless security for

the payment thereof be given to the satisfaction of the Commissioner, be recoverable forthwith in the manner prescribed by section 57 of this Act.

(6) Any person who has paid the tax in accordance with a demand by the Commissioner or who has given security for such payment under subsections (3) and (4) of this section, shall have the rights of review, objection and appeal conferred by sections 42 and 43 of this Act, and the amount paid by him shall be adjusted in accordance with the result of any such review, objection or appeal.

(7) Subsections (3) and (4) of this section, shall not affect the powers conferred upon the Commissioner by section 39 of this Act.

60.—(1) Subject to subsection (3) of this section, no person shall leave or attempt to leave Belize, unless such person has in his possession a certificate in the prescribed form issued by the Commissioner on payment of the prescribed fee certifying that such person,

- (a) does not owe any income tax; or
- (b) has made satisfactory arrangements for the payment of any income tax payable by him.

(1A) The certificate issued under subsection (1) of this section, may be valid for such period as may be prescribed.

(2) Any person who neglects to comply with or acts in contravention of this section is guilty of an offence.

(3) It shall be a good defence to any proceedings against any person in respect of an offence against this section to prove that the certificate required by subsection (1) of this section, could properly have been issued and that there has been undue delay on the part of the Commissioner in issuing it.

(4) Subsection (1) of this section shall not apply to,

Exit certificate.
11 of 1964.
32 of 1987.

32 of 1987.

32 of 1987.

- (a) any member of the Military, Naval or Air Forces of Her Majesty or of any foreign state;
- (b) any person in the diplomatic or consular service of a foreign state unless any such person is also engaged in any business or other employment in Belize;
- (c) any person to whom the Diplomatic Privileges and Consular Conventions Act, Cap. 23 applies;
- (d) any person under 16 years;
- (e) any passenger in transit.

(5) The Minister may, from time to time by Order published in the *Gazette*, prescribe the fees to be paid for the issue of exit certificates.

32 of 1987.

(6) Every Order made by the Minister under subsection (5) of this section shall as soon as may be after the making thereof be laid before the House of Representatives and shall be subject to negative resolution.

61.—(1) If it be proved to the satisfaction of the Commissioner that any person for any year of assessment has paid tax, by deduction or otherwise, in excess of the amount with which he is properly chargeable, such person shall be entitled to have the amount so paid in excess refunded.

Repayment of Tax.
11 of 1964.

(2) Every claim for repayment under this section shall be made within six years from the end of the year of assessment to which the claim relates.

(3) The Commissioner shall give a certificate of the amount to be repaid and upon the receipt of the certificate the Chief Collector shall cause repayment to be made in conformity therewith.

11 of 1964.

(4) Except as regards sums repayable on a review or an objection or appeal, no repayment shall be made to any person in respect of any year of assessment as regards which that person has failed or neglected to deliver a return or has been assessed in a sum in excess of the amount

contained in his return, if he has received notice of the assessment made upon him for that year, unless it is proved to the satisfaction of the Commissioner that such failure or neglect to deliver a true and correct return did not proceed from any fraud or willful act or omission on the part of that person.

Notice to be given
to tax defaulters.
11 of 1964.

62.—(1) The Chief Collector shall from time to time cause to be inserted in three consecutive issues of the *Gazette* a notice to the effect that warrants will be issued for the recovery of all income tax remaining unpaid for over sixty days from the issue of notice of assessment, together with the fines due thereon.

11 of 1964.

(2) A definite day may be fixed in the said notice, which shall not be less than one month from the first publication of the said notice, and such publication shall be sufficient notice to all defaulters.

(3) Where persons have made arrangements with the Chief Collector to pay their income tax by installments, and make default in the payment of any installment, the whole of the tax then remaining unpaid shall immediately become due and payable, but steps to recover it shall not be taken under this section unless sixty days have elapsed since the issue of the notice of assessment or until any installment is in arrears for fifteen days.

Collector to issue
warrants against
goods for recovery
of taxes.
11 of 1964.

63.—(1) The Chief Collector shall, from time to time, issue to any persons whom he or she may employ in the several districts as bailiffs for this purpose (hereinafter referred to as “bailiffs”) warrants directing and authorising them in manner hereinafter provided to make a levy upon the goods of all defaulters for the payment of taxes and fines thereon remaining unpaid for more than sixty days from the issue of the notice of assessment.

11 of 1964.

(2) In all cases where default has been made by several persons in the same district, it shall be sufficient for the Chief Collector to attach to any warrant a list duly signed by him setting out extracts from the assessment records showing the names of such defaulters, the particulars of the properties charged with unpaid income tax, the taxes which are unpaid together with the amounts of such taxes and the fines due thereon respectively.

64.—(1) Notwithstanding that the name of the person who has made default in the payment of the tax is included in a list to any warrant authorising a levy as provided in section 10 of this Act, the Chief Collector may at any time that such tax remains unpaid cause the operation of the said warrant to be suspended as against such defaulter and *in lieu* thereof to apply to the magistrate of the district in which the person in default is for the time being staying or residing, for a summons directing the defaulter to attend before such magistrate, at a time to be named in the summons, to show cause why he should not be ordered to pay the amount aforesaid, as a judgment debt, and the magistrate may issue such summons and cause it to be served and deal with the defaulter in such manner as is provided in section 65 of this Act.

Suspension of execution and institution of proceedings before Magistrates.

(2) Notice of any application intended to be made under this section shall be given by the Chief Collector to the Minister.

PART VII

Judgment Debtor Process and Execution against Lands or Houses.

65. If a summons for enabling the defaulter to show cause as mentioned in section 71 of this Act is issued, the magistrate may on the date named in the summons or at any other date to which the hearing may be adjourned, order the defaulter to pay into court the amount of the unpaid tax and fines, and such costs and expenses as are for this purpose from time to time fixed by the Minister, or order him to pay into court any part of such amount which the magistrate may think the defaulter able to pay or arrange for paying, within seven days of the order or within such extended time as may be determined by the magistrate, and either in a lump sum or by installments.

Magistrate may order payment of tax, etc., into court.
40 of 1963.

66.—(1) If the person summoned as provided in section 64 of this Act, fails to comply with the summons without lawful excuse or if he makes default in payment into court in the manner aforesaid, the magistrate may commit such person to prison for a term not exceeding six weeks or until payment of the sum ordered to be paid (if paid before the expiration of such term).

Imprisonment for failure to obey order.

(2) No committal under subsection (1) of this section, shall be ordered for default in payment unless it be proved to the satisfaction of the magistrate that the person making default either has or has had since the date of the order, the means to pay the sum in respect of which he has made default, and has refused or neglected, or refuses or neglects, to pay it.

(3) Proof of the means of the person making default may be given in such manner as the magistrate thinks just, and, for the purposes of such proof, the debtor and any witness may be summoned and their attendance enforced by the same processes as in cases in which the magistrate has summary jurisdiction in criminal matters, and such debtor and witnesses may be examined on oath.

(4) Every order of committal under this section shall be issued, obeyed, and executed in manner similar to commitments by magistrates in the exercise of their summary jurisdiction in criminal cases.

(5) Imprisonment under this section shall not operate as a satisfaction or extinguishment of the judgment debt.

Debtor paying whole of amount ordered to be paid.

67. In any event of the defaulter paying the whole of the amount ordered to be paid as provided in section 65 of this Act, the magistrate shall give notice of such payment to the Minister and shall remit to the Chief Collector the amount so paid, deducting such parts thereof as may represent the court costs.

Form and scope of warrant.

68.—(1) For the purpose of levying any distress a bailiff shall execute a warrant issued to him by the Chief Collector according to the tenor thereof, and such warrant shall be in the form set out in the First Schedule.

(2) On payment of the tax and fines and expenses accrued thereon, the bailiff shall give acquaintances under his hand unto the persons who pay them on numbered (counterfoil) receipt forms with which the bailiff shall be supplied by the Chief Collector, and shall pay over to the Chief Collector daily, or at such other times as the Chief Collector may direct, all money received by him under this Act.

69.—(1) When any goods or chattels are distrained on, they shall, after due notice given in the *Gazette*, be sold by the bailiff at public auction in such a manner as is usual in sales under executions issuing out of the district court and, until the sale, the goods shall be kept in the custody of the Commissioner.

Sale of goods levied on and disposal of proceeds.
8 of 1997.

(2) The money arising from the sale shall be paid over by the bailiff to the Chief Collector after deducting therefrom all reasonable and necessary charges and expenses attending the levy and sale which may be allowed by the Chief Collector, and these proceeds of sale shall be applied by the Chief Collector towards satisfaction of the unpaid tax, fines, and costs, and the surplus (if any) shall be restored on demand to the owner of the goods distrained, but,

- (a) tools of trade, bedding and wearing apparel amounting in all to the value of fifty dollars shall be exempted from execution;
- (b) after a levy the owner of the goods seized may redeem them at any time before the time appointed for the sale by paying to the bailiff the full amount of the tax and fines thereon, together with all costs and expenses incurred in relation thereto by the date of such payment;
- (c) if at such public auction there are no bids sufficient to cover the tax, fines, costs and expenses, the unsold goods shall become the property of the Government of Belize.

70.—(1) The bailiff's fees which may be included in a claim of levy under a warrant may be in such sum and according to such scale as is fixed from time to time by the Minister.

Bailiff's fees.
40 of 1963.

(2) All such fees shall be paid by the defaulters against whom warrants are issued, and the Minister may award to any bailiff such proportion thereof as he thinks fit.

Failing to recover on goods the Collector to sell realty of defaulter.

71.—(1) If the amount of the taxes due and recoverable from a defaulter and of the fines, costs and expenses chargeable as aforesaid have not been, or in the opinion of the Chief Collector cannot be, raised by the sale of the goods of the defaulter, the Chief Collector may put up for sale either the whole of any lands or houses in Belize to which the defaulter is beneficially entitled, or such part thereof as in the discretion of the Chief Collector may be selected and marked off as sufficient to realise the required amount.

(2) In default of satisfaction of the debt by any such sale as described in subsection (1) of this section, then, if the lands or houses charged with the payment of unpaid income tax had passed out of the possession of the defaulter before the date of the said sale and consequently such last mentioned lands or houses had not been levied upon as aforesaid, the Chief Collector may in the last instance proceed to levy and sell the lands or houses last mentioned.

(3) The Chief Collector may issue to the officer in charge of the Revenue Office of the district in which any lands or houses intended for sale are situate, a praecipe to levy the tax by the sale of the lands or houses therein mentioned which praecipe shall be in the form set out in the Second Schedule.

Form of praecipe for sale of land by revenue officer.

72.—(1) Before proceeding with the sale of any land or house as described in section 71 of this Act, the Chief Collector or the officer conducting such sale shall serve or cause to be served on the person in default a notice in the form set out in the Third Schedule.

(2) Except in cases specially sanctioned by the Chief Collector, or the officer conducting the sale, every such notice shall be served personally on the person in default.

(3) Whenever the Chief Collector or the officer conducting the sale has reason to think that the person in default is avoiding service of the notice, or that neither he nor his authorised agent can be found, the Chief Collector or officer may order the notice to be affixed in some conspicuous manner to the property with respect to which the praecipe to levy has been issued.

(4) The server or bailiff serving any such notice personally shall endeavour to explain its purport fully to the person upon whom it is served, and shall offer to prepare, and, if so requested, shall write out the statement which such person is required to make.

(5) In this latter event, the signature or mark of such person shall, if practicable, be attested by a witness other than the server or bailiff.

(6) The bailiff or server of such notice shall write upon it the date when it is served by him, and shall enter upon a counterfoil of the notice or upon some other record the date and manner of service and the place where it was made.

(7) Every person duly served but failing to make such statement as mentioned in subsection (4) of this section, within the time and in the manner prescribed is liable on summary conviction to a fine not exceeding twenty-five dollars, unless he proves either that, previous to the notice being served, he had paid the tax or fine, or that no tax or fine was or is due from him.

73.—(1) When the whole of any land or any house in respect of which a levy is made, is offered for sale and no bid is made for it equal to or in excess of the tax, fines, costs and charges thereon, it shall be liable to forfeiture at the discretion of the Minister.

Vesting of property in State on abortive sale of realty and continued default in payment.

(2) As a condition precedent to the forfeiture the Chief Collector shall cause to be served on the defaulter a notice that such land or house is liable to forfeiture within one month from the date of the service of the notice, if the amount due be not paid.

(3) When any land or house has been declared by the Minister to be forfeited it shall vest in the Government of Belize.

(4) The Chief Collector shall forward to the Registrar of the Court for the purpose of registration a statement in a form to be prescribed by the Minister, which statement shall contain the particulars of the land or house, the name of the person in default, the amount due, the date of the abortive sale, and the date of the service of the notice of liability to forfeiture.

(5) The registration of the statement shall constitute an indefeasible title.

Conditions of sale.

74. In all cases of the sale of lands or houses under this Act, the following shall be the conditions of sale,

- (a) the purchaser buys at his own risk as to the provisions of the law necessary to authorise the sale having been complied with;
- (b) a person who intends to purchase shall be allowed access to all documents which show that such provisions have been complied with;
- (c) the purchaser shall not require any proof (beyond the assessment record, and the praecipe with the list of defaulters' notices with service) of the identity of the contents, dimensions, or other particulars of the "property" offered for sale with that advertised;
- (d) the highest bidder for each lot may be the purchaser;
- (e) if any dispute arises as to any bidding, the property may again be put up for sale;
- (f) the reserve price will be the amount of the tax, costs, and charges;
- (g) the advance on the bidding may be declared by the Chief Collector or officer conducting the sale on putting up the specific lot;
- (h) no bid shall be retracted without the consent of the Chief Collector or the said officer;
- (i) immediately after the sale, the purchaser shall pay to the Chief Collector, or to the officer who conducts the sale, a deposit of one-fourth of his bid, and the balance within seven days thereafter;

- (j) in default of payment of the deposit, the property shall be offered for sale immediately and any subsequent bid by the person who has made default as aforesaid, shall be ignored or refused;
- (k) if the purchaser fails to complete his purchase within seven days, the deposit shall be forfeited, and the property shall be re-offered for sale, when any deficiency on the first bid may be recovered from the first bidder as a debt;
- (l) except in special cases to which the Minister may give his sanction, conveyances for lanes, tenements and hereditaments will only be executed on the prescribed form;
- (m) conveyances will not be executed until one month has elapsed from the date of sale, and during this period the right is reserved for the Minister to cancel the sale.

75.—(1) All sales of any lands or houses charged with the payment of unpaid income tax shall, if the provisions of this Act have been duly complied with, operate to confer on the purchaser an indefeasible title thereto, free from all encumbrances.

Effect of execution sales with regard to title.

(2) All sales of lands or houses other than those previously specified in this Act shall have the effect of conveying to the purchaser the right, title, and interest therein of the person who has made default in the payment of tax, but,

- (a) no purchaser shall have, or be capable of granting, any title to any land, house or goods purchased under the powers of this Act, if the purchase has been made with intent to defraud creditors, or as agent or trustee for the taxpayer in default, or for his wife or family;
- (b) any such sale to the taxpayer in default shall be void.

11 of 1964.

(3) Any person having a charge or debt by way of specialty or otherwise upon any property of the person named in the assessment record may pay the tax, fines, costs and expenses properly due under this Act by such person named as aforesaid, and shall be entitled to add the moneys thus paid to such charge or debt, and thereupon the increased charge or debt shall bear the same interest and may be enforced and recovered in the same manner as the original charge or debt.

Form of Convey-
ance.

76. Where any land or house is sold under this Act, the Chief Collector shall execute and deliver on completion a conveyance thereof to the purchaser in the form set out in the Fourth Schedule.

Disposal of sur-
plus proceeds of
sale.
40 of 1963.

77.—(1) Any surplus moneys arising on any sales under this Act, after payment of the tax, fines and costs, shall be paid by the Chief Collector to the owner of the property sold, if known, and if not known, then they shall be at the disposal of the Minister on the application of any person entitled for six years from the day of sale, after which they shall be appropriated to the Consolidated Revenue Fund.

(2) If the Chief Collector has notice that any person other than the owner of the property sold has a claim to the surplus moneys or any part thereof either by way of mortgage or other legal encumbrance, the Chief Collector may send to the said owner, by post, a letter addressed to him at his last known place of abode stating that the moneys or some specified part thereof, will be paid to such claimant, mortgagee or encumbrancer, unless the owner informs the Chief Collector within ten days from the date of the said letter that he does not admit the said claim.

(3) If no reply is received from the owner within the time specified in subsection (2) of this section, the surplus moneys, or such part thereof as specified in the said letter, may be paid to the claimant by the Chief Collector.

(4) If the owner denies the claim, the Chief Collector shall pay the surplus moneys to the Registrar of the Supreme Court, to be placed by the latter to the credit of an account in court, to abide the settlement by the court of the question as to what person is entitled to it.

(5) The Chief Collector shall not be held responsible for any payment made by him under this section.

PART VIII

Claims by Third Parties

78. If any person, other than the person making default, claims that he is the owner of any goods or lands which are levied upon, as belonging to a party who is named in the assessment record, such person, or any attorney on his behalf, may file an affidavit in the Supreme Court,

Affidavit by a person not the defaulter, claiming the property levied upon.
11 of 1964.

- (a) specifying which of the goods or lands he claims as his property;
- (b) stating full particulars of his title thereto; and
- (c) stating the value of the property.

79. If any such person, either at the time of or subsequent to filing the affidavit, gives security by bond with two sureties (such bonds being hereby exempted from stamp duty) to the satisfaction of the Registrar of the Supreme Court in a sum of five hundred dollars, conditioned to secure, firstly, either the total amount of taxes, fines, costs, and expenses unpaid or such part thereof as may be equivalent to the value of the property claimed, and, secondly, all costs of the legal proceedings incidental to the trial of the issue specified in section 81 of this Act hereinafter, the Registrar shall notify the Chief Collector to discontinue his levy upon such of the goods and lands as are specified in the affidavit until the determination of the issue.

Discontinuance of levy upon bond being given by claimant, etc.

80.—(1) At any time within seven days after receipt of the notification of the levy being discontinued the Chief Collector may abandon the levy altogether, and thereupon shall notify the Registrar and the claimant that the levy is wholly withdrawn and that no further legal proceedings will take place.

Abandonment of levy or setting cause down for trial.

(2) If no notice of abandonment is given by the Chief Collector in the manner provided in subsection (1) of this section, the Registrar shall set the matter down for trial at the next sitting of the Supreme Court held not later than two weeks subsequent to security being so given in accordance with the summary procedure of that court.

Issued at trial.

81. At the hearing, the issues shall be whether or not the claimant has made out his title to the goods or lands specified in the affidavit, and whether the value thereof has been correctly stated in the affidavit and, upon the issues being determined, the Court shall order the bond to be enforced or cancelled, as the case may be.

Procedure to be the same as in ordinary cases.

82. Throughout the proceedings in the case of the goods being claimed as aforesaid, the bailiff by whom the levy was made, or, in the case of lands being claimed, the Chief Collector shall be the defendant, and all steps may be taken and things done as in ordinary cases before the said court, but the defendant shall not be ordered to pay any costs unless the court is of opinion that he has been guilty of wilfull neglect or misconduct.

Exemption from stamp duties.

83. No summons, process or other document issued by or for any person acting under this Act shall be subject to stamp duty.

Burden of proof.

84. The burden of proof of exemption from or abatement of the tax levied under this Act shall lie on the party claiming the exemption or abatement.

Period of prosecution.

85. Any prosecution instituted against any person for the commission of any offence against this Act shall be commenced within six years from the time of the offence committed and not afterwards.

Summary conviction penalty.

86. Any person who is guilty of an offence against this Act for which no punishment is herein otherwise specified shall be liable on summary conviction to a fine not exceeding five hundred dollars and in default of payment to imprisonment for a term not exceeding six months.

Penalty.
3 of 1971.

87. Any person who has failed to make a return as and when required rule 4 (1) or rule 14 (2) of the Rules Governing Payment of Income Tax, in Statutory Instrument No. 52 of 1970, or by section 34 of this Act is liable to a penalty of five dollars a day for each day of default so long as such penalty shall not exceed one thousand dollars.

88.—(1) Any person who, for the purpose of obtaining any deduction, rebate, reduction or repayment in respect of tax for himself or for any other person, or who in any return, account or particulars made or furnished with reference to tax, knowingly makes any false statement or false representations shall be liable on conviction to a fine not exceeding five hundred dollars and to forfeit treble the amount of the tax with which he ought to be charged under this Act, or to imprisonment for a term not exceeding six months.

False statements and returns.

(2) Any person who aids, abets, assists, counsels, incites or induces another person,

- (a) to make or deliver any false return or statement under this Act; or
- (b) to keep or prepare any false accounts or particulars concerning any income on which tax is payable under this Act,

is liable on summary conviction to a fine not exceeding five hundred dollars or imprisonment for a term not exceeding six months.

89. This Act shall not affect any criminal proceedings under any other Act or law.

Savings for criminal proceedings.

90. Any person who obstructs or impedes or insults or molests the Commissioner, Chief Collector or other officer lawfully authorised by this Act or any amendment thereto in the discharge of his duties or in his official capacity or in the exercise of his powers is guilty of an offence.

Impeding or obstructing Commissioner or officers.

91.—(1) Any person who reduces his income by the transfer or assignment property to evade of any real or personal, movable or immovable property to any member of the family of such person shall nevertheless be liable to be taxed as if such transfer or assignment had not been made, unless the Commissioner is satisfied that such transfer or assignment was not made for the purpose of evading the taxes imposed under this Act or any part thereof.

Transfer of property to evade taxation.

(2) Where a person transfers property in trust and provides that the corpus of the trust shall revert either to the donor or to such person as he may determine at a future date, or when a trust provides that during the lifetime of the donor no disposition or other dealing with the trust property shall be made without the consent, written or otherwise, of the donor, such person shall nevertheless be liable to be taxed on the income derived from the property transferred in trust, or from property substituted therefor, as if such transfer had not been made.

(3) Where the Commissioner is of the opinion that any transaction which reduces or would reduce the amount of tax payable by any person is artificial or fictitious or that effect has not, in fact, been given to any disposition, the Commissioner may disregard the transaction or disposition, and the persons concerned shall be assessable accordingly.

(4) Nothing in this section shall be deemed to prevent a decision of the Commissioner made in the exercise of any discretion given to him by this section, from being tested on review, objection or appeal against an assessment.

(5) In this section “disposition” includes any trust, grant, covenant, agreement or arrangement.

(6) Where it appears to the Commissioner that with a view to the avoidance or reduction of tax, a company controlled by not more than five persons has not distributed to its shareholders, in such manner as to render the amount distributed liable to taxation in the hands of the shareholders, profits made in any period ending after the 31st December, 1943, which could be distributed without detriment to the company’s existing business, the Commissioner, by notice in writing to the company, may direct that, for the purposes of assessment to income taxes and surtaxes, such profits for the period specified in the notice be deemed to be the income of the members, and the amount thereof shall be apportioned among the members in accordance with the respective interests of the members, and taxes shall be assessed and charged on the members in respect of the sum so apportioned as if this distribution had in fact been carried out.

(7) Where it appears to the Commissioner that with a view to the avoidance or reduction of tax property has been sold at a price below that which it would ordinarily be expected to fetch in a transaction between an independent buyer and an independent seller, the income, profits or losses arising from such sale shall be computed by reference to the price which the Commissioner considers appropriate in all the circumstances of the sale.

12 of 1965.

(8) For the purposes of subsection (7) of this section, the expressions “sold” or “sale” include the expressions grant, hire, lease, assignment, transfer or other disposition of any right or interest in property.

12 of 1965.

92.—(1) Any information or complaint under this Act or rules made thereunder may be laid or made by an officer of the Income Tax Department, by a member of the Belize Police Department, or by any person authorized in writing by the Commissioner.

Procedure and evi-
dence.
3 of 1971.
42 of 1999.

(2) Where provision is made for sending by post a request for information, a notice or demand or notice of assessment or a requirement of the Commissioner, an affidavit of an officer of the Income Tax Department setting out that he has charge of the appropriate records, that he has knowledge of the facts in the particular case, that such a request, notice, demand or requirement was sent by registered letter on a named day to the person to whom it was addressed (indicating such address) and that he identifies as exhibits attached to the affidavit the post office certificate of registration of the letter or a true copy of the relevant portion thereof, and a true copy of the request, notice, demand, notice of assessment or requirement, shall be received as *prima facie* evidence of the posting and of the request, notice, demand, notice of assessment, or requirement.

(3) Where provision is made for personal service of the request for information, notice, demand, notice of assessment or requirement, an affidavit of an officer of the Income Tax Department setting out that he has charge of the appropriate records, that he has knowledge of the facts in the particular case, that such a request, notice, demand, notice of assessment or requirement was served personally on a named day on the person to whom it was directed or on a person pursuant to section 58 (5) or (6) of this Act, and that he identifies as an exhibit attached to the

affidavit a true copy of the request, notice, demand, notice of assessment or requirement, shall be received as *prima facie* evidence of the personal service of such document.

(4) Where a person has been required to make a return, statement, or answer, an affidavit of an officer of the Income Tax Department setting out that he has charge of the appropriate records and that after a careful examination and search of the records he has been unable to find in a given case that the return, statement or answer, as the case may be, has been made by such person, shall be received as *prima facie* evidence that in such case the return, statement or answer, as the case may be, was not received by the Income Tax Department or any officer thereof.

(5) Where a person has been required to make a return, statement or answer, an affidavit of an officer of the Income Tax Department setting out that he has charge of the appropriate records and that after careful examination of such records he has found that the return, statement, or answer was filed on a particular day, shall be received as *prima facie* evidence that it was filed that day and not prior thereto.

(6) With the leave of the court an affidavit of an officer of the Income Tax Department, setting out that he has charge of the appropriate records and that a document annexed thereto is a document or true copy of a document made by or on behalf of the Commissioner, or some person exercising the powers of the Commissioner or by or on behalf of a taxpayer, shall be admissible in evidence together with the document so annexed which shall be conclusive evidence of the contents of the original document.

(7) Where evidence is offered under this section by an affidavit from which it appears that the person making the affidavit is an officer of the Income Tax Department, it shall not be necessary to prove his signature or that he is such an officer nor shall it be necessary to prove the signature or official character of the person before whom the affidavit was sworn.

(8) Every document purporting to be a direction, demand, notice, certificate, requirement, assessment or other document purported to have been executed under or in the course of the administration or enforcement

of this Act over the name of the Commissioner or an officer authorized to exercise the powers of the Commissioner under this Act shall be *prima facie* evidence that the document was signed, made and issued by the Commissioner or such officer.

(9) In any prosecution, an affidavit of an officer of the Income Tax Department setting out that he has charge of the appropriate records and that an examination of the records show that an amount required to be remitted to the Commissioner has not on a specified date been received by the Commissioner shall be received as *prima facie* evidence of the statements contained therein.

93.—(1) Notwithstanding any rule of law or practice to the contrary, it shall be lawful for the Commissioner to authorise any person to act as an agent for the purpose of detecting corruption or the evasion of income or business tax imposed by this Act or the commission of any other related offence, and the evidence of such a person shall be valid and effectual for all purposes and shall be receivable in all courts in Belize.

Use of agents to detect crime.
7 of 1999.

(2) Any such agent as aforesaid shall not be treated as an accomplice for the purpose of the law on corroboration.

7 of 1999.

(3) The fact that a crime has been induced by the activities of any such agent shall not be treated as a mitigating factor on sentence by any court.

94.—(1) The Minister may make rules generally for carrying out the provisions of this Act, and may, in particular, by those rules provide,

Rules.

- (a) for the form of returns, claims, statements and notices under this Act;
- (b) for the deduction and payment of tax at the source in respect of emoluments and pensions payable out of the revenue of Belize;
- (c) for the payment of income tax by monthly or other installments;

- (d) for the deduction and payment of tax from emoluments and pensions payable by an employer in Belize to an employee; and
- (e) for any such matters as are authorised by this Act to be prescribed.

(2) If any person fails to comply with or contravenes a rule made under this Act he is guilty of an offence.

(3) All rules made under this Act shall be judicially noticed.

(4) For the purposes of this section and any rules made thereunder,

16 of 1994.

“emoluments” includes all salaries, fees, wages, commissions, or profits or gains whatever arising from an office or employment, and references to payments of emoluments include references to payments on account of emoluments;

“employee” means any person in receipt of emoluments, and includes an officer;

19 of 1970.

“employer” means a person liable to pay emoluments whether on his own account or on behalf of another person and in relation to an officer, means the person from whom the officer receives his emoluments;

“office” means the position of an individual entitling him to a fixed or ascertainable stipend or remuneration and includes a judicial office, the office of a Minister of the Government, the office of a member of the Senate or House of Representatives of Belize and any other office the incumbent of which is elected by popular vote or is elected or appointed in a representative capacity, and also includes the position of a company director;

“officer” means an individual holding such an office.

95.—(1) The Minister may remit the whole or any part of the income tax payable by any person if he is satisfied that it would be just and equitable to do so.

Minister may remit tax.
19 of 1970.

(2) Notices of such remission shall be published in the *Gazette*.

95A.—(1) The Minister may enter into Tax Information Exchange Agreement with the government of any country or territory outside Belize with a view to applying international standards on transparency and effective exchange of information relating to tax matters.

Tax information exchange agreement.
6 of 2009.

(2) Every such agreement as aforesaid shall be incorporated in an Order which shall be published in the *Gazette* as a Statutory Instrument, and upon such publication, the Order shall have the force of law in Belize notwithstanding anything in this or any other enactment, and the restrictions contained in section 4 of this Act on the disclosure of information shall not apply with respect to a request for information pursuant to such agreement.

(3) An Order made under this section may contain such ancillary or consequential provisions for obtaining information or otherwise as may be necessary to give full effect to the tax information exchange agreement concerned.

(4) An Order made under this section may provide that a contravention or breach thereof shall be punishable on summary conviction by such fine not exceeding five thousand dollars or by such term of imprisonment not exceeding two years as may be specified in Order, or by both such fine and term of imprisonment.

(5) Every Order under this section shall be subject to negative resolution.

96.—(1) Subject to subsection (2) of this section, every employer who fails to deduct and remit an amount from the emoluments of an employee as and when required by rules made under this Act shall be liable to pay the Commissioner the whole amount that should have been deducted and remitted from the time prescribed for deducting the same.

Failure to deduct and remit.
19 of 1970.

(2) An employer who has failed to deduct an amount as prescribed may recover that amount from subsequent payments of emoluments made to the employee provided that he does so within twelve months after the making of the payment from which the prescribed amount was not deducted and does not deduct from each payment of emoluments during this twelve months period more than twice the amount of the deduction prescribed for the payment being then made.

(3) Every employer who fails to remit to the Commissioner the total amount that he was required to remit at the time when he was required to do so shall be liable to a penalty of ten *per cent* of the amount that he failed to remit or ten dollars, whichever is the greater, and in addition shall be liable to pay on the amount not remitted the surcharge prescribed by section 55 of this Act.

Assessment for
failure to deduct
or remit.
19 of 1970.

97.—(1) The Commissioner may assess an employer for an amount payable by him by rules made under this Act or may re-assess such employer or make additional assessments as the circumstances require and the expression “assessment” when used with reference to any action so taken by the Commissioner under this section includes any re-assessment or additional assessment.

(2) After assessing an employer under subsection (1) of this section, for an amount payable by him the Commissioner shall cause a notice of assessment to be served personally or sent by registered post to the employer, and the assessment, subject to being varied or discharged on objection under section 42 or on appeal under section 43 of this Act, shall be deemed to be valid and binding and the employer shall be deemed to be in default and shall be liable to pay to the Commissioner the amount thereof forthwith.

PART IX

*Income Tax on Profits from
Petroleum Operations*

98. For the purposes of this Part, in this Part,

Interpretation in
this Part.
9 of 1991.

(1) “Affiliated Company” shall mean any entity, directly or indirectly effectively controlling or controlled by, or under direct or indirect effective common control, with a specified entity. For the purposes of this definition,

(2) “Contractor” shall mean a person who has entered into a contract with the Government under the Petroleum Act.

“Control”, when used with respect to any specified entity, means the power to direct, administer and dictate policies of such entity (it being understood and agreed that it is not necessary to own directly or indirectly *fifty percent* (50%) or more of such entity’s voting securities to have effective control over such entity, but ownership, direct or indirect, of *fifty percent* (50%) or more of such entity’s voting securities shall automatically indicate effective control), and the terms “controlling” and “controlled” have meanings corresponding to the foregoing.

(3) “Crude Oil” shall mean Petroleum which is in liquid state at the wellhead or gas/oil separator or which is extracted from Natural Gas, including distillate and condensate.

(4) “Delivery Point” shall mean the FOB point of export in Belize or such other point which may be agreed by the Government and the Contractor.

(5) “Gross Revenues” shall mean the sums of all proceeds of sales and the monetary equivalent of the value of other dispositions of Petroleum produced and saved and not used in Petroleum Operations and any other proceeds derived from Petroleum Operations.

(6) “Initial Commercial Production” shall mean the date on which the first regular shipment of Crude oil or Natural Gas, or both, is made under a program of regular production and sale.

(7) “Natural Gas” shall mean all Petroleum which at atmospheric conditions of temperature and pressure is in a gaseous phase, including wet mineral gas, dry mineral gas, wet gas, and residue gas remaining after the extraction, processing or separation of liquid Petroleum from wet gas, as well as non Petroleum gas or gases produced in association with liquid or gaseous Petroleum.

(8) “Associated Natural Gas” shall mean natural gas which is produced in association with Crude Oil.

“Non-Associated Natural Gas” shall mean Natural Gas which is produced without association with Crude Oil or in association with Crude Oil which cannot be produced commercially.

(9) “Net Petroleum” shall mean the value of the total quantity of Petroleum produced and saved in a given Calendar Year and not used in Petroleum Operations after deduction of the value of the Royalty in such Calendar Year and after recovery of Petroleum Operations Expenditures pursuant to a Contractor’s contract with the Government.

(10) “Petroleum Operations Expenditures” shall mean expenditures made in conducting Petroleum Operations hereunder, determined in accordance with the Sixth Schedule.

(11) “Royalty” shall mean the royalty described in section 31 of the Petroleum Act, Cap. 225.

99. A Contractor carrying on any trade or business which consists of or includes Petroleum Operations shall keep separate accounts of such Operations, and the Chargeable Income of such Contractor for each Basis Year shall be computed as if such Petroleum Operations were a separate trade or business of that Contractor.

Separate account
for petroleum op-
erations.

100. The Chargeable Income of a Contractor derived from Petroleum Operations for the applicable Basis Year shall be determined by deducting from Gross Revenues for such Basis Year,

Chargeable In-
come.

- (i) the value of any Royalty in such Basis Year;
- (ii) the value of the Government's total share of Net Petroleum in such Basis Year; and
- (iii) all allowable Petroleum Operation Expenditures incurred in such Basis Year. The Tax upon the Chargeable Income of a Contractor shall be charged at the tax rate of general application to all companies in Belize, and the Contractor shall be obligated to pay such Tax to the Government for the Basis Year in question.

101.—(1) Petroleum sold to third parties shall be valued at the net realised price at the Delivery Point.

Valuation of petro-
leum.

(2) Crude Oil sold to other than third parties shall be valued as follows,

- (a) by using the weighted average unit price received from sales to third parties at the Delivery Point, net of any commissions and brokerages paid in relation to such third party sales, during the ninety (90) days preceding such sale, adjusted as necessary for quality, grade and gravity, and taking into consideration any special circumstances with respect to such sales, unless less than *fifty percent* (50%), by volume, of Crude Oil sales during such period are made to third parties, in which case Crude Oil sold to other than third parties shall be valued in accordance with paragraph (b);
- (b) if no third party sales have been made during such period of time, then

- (i) on the basis used to value other Crude Oil from Belize of similar quality, grade and gravity (or, if not similar, adjusted as necessary for quality, grade and gravity) and taking into consideration transportation cost differentials and any special circumstances with respect to sales of such Crude Oil, or
- (ii) if there is no other Crude Oil from Belize, on the basis used to value Crude Oil from other sources in Central America, Columbia and Venezuela of similar quality, grade and gravity and taking into consideration transportation cost differentials and any special circumstances with respect to sales of such similar Crude Oil.

(3) Natural Gas sold to other than third parties shall be valued by agreement between the Government and the Contractor, provided, however, that such value shall reflect the following,

- (i) the quantity and quality of the Natural Gas;
- (ii) the price at which sales of Natural Gas from other sources in Belize, if any, are then being made;
- (iii) the price at which sales, if any, of Natural Gas imported into Belize are being made;
- (iv) the purpose for which the Natural Gas is to be used; and
- (v) the international market price of competing or alternative fuels of feed stocks.

(4) Third party sales referred to in this section shall mean sales other than barter sales made by the Contractor to purchasers which are not affiliated Companies of the Contractor in arms length transactions

and with whom (at the time the same is made) the Contractor has no contractual interest involving directly or indirectly any joint interest.

(5) Commissions or brokerages incurred in connection with sales to third parties, if any, shall not exceed the customary and prevailing rate.

102.—(1) In the event that a Contractor at any time comprises more than one corporation, individual or entity, in the form of a partnership, joint venture, unincorporated association or other combination of entities or individuals, Tax shall in all cases be calculated and assessed on the basis of the Chargeable Income of each corporation, individual, partner, joint venturer, associate or other entity comprising the Contractor.

Tax accounting principles.

(2) Commencing with the Basis Year in which Initial Commercial Production first occurs, any allowable deductions for Tax purposes with respect to Petroleum Operations Expenditures, the Royalty and the Government's share of Crude Oil production which remain unrecovered in any Calendar Year from Gross Revenues shall be treated as an operating loss and may be carried forward as an allowable deduction to subsequent Basis Years until fully recovered from Gross Revenues. In the event that an operating loss remains unrecovered upon the termination of this Agreement, such loss may be carried over and deducted from other revenues of the Contractor from Petroleum Operations in Belize.

(3) All Books, accounts and records shall be prepared on an accrual basis. Revenues shall be attributable to the accounting period in which they are earned, and costs and expenses to the accounting period in which they are incurred, without the need to distinguish whether cash is received or disbursed in connection with a particular transaction. Cost and expenses shall be deemed to have been incurred, in the case of physical items, in the accounting period when title thereto passes, and in the case of services, in the accounting period when such services are performed.

(4) Except as may be otherwise agreed in writing between the Government and the Contractor, all transactions giving rise to revenues, costs or expenses, shall for tax purposes be deemed to have been conducted at arm's length or on such a basis as will assure that all such

revenues, costs or expenses will not be higher or lower, as the case may be, than would result from a transaction conducted at arm's length on a competitive basis with third parties.

(5) For each Basis Year, commencing with the Basis Year in which Initial Commercial Production first occurs, Petroleum Operations Expenditures which shall be deductible for the purpose of the calculation of Tax Payable shall consist of the sum of,

- (a) The current Basis Year's operating expenditures incurred, including the current Basis Year's allowable deductions for depreciation of capital expenditures determined in accordance with paragraph 2 of the Sixth Schedule; and
- (b) An amount with respect to any operating loss from prior Basis Years, determined in accordance with subsection (2) of this section.

Application of Parts I to IX to Petroleum Profits.

103. Subject to the provisions of this Part, Parts I to IX shall apply to the Petroleum Profits of any person.

PART X¹

Business Tax

Application of Part X. 10 of 2006.

104.—(1) Subject to subsection (2) of this section, the provisions of this Part shall apply notwithstanding anything to the contrary contained in Parts I to IX of this Act or in any other law.

(2) This Part shall not apply to persons and companies engaged in petroleum operations, and where a person or company is partly engaged in petroleum operations and partly in other activities, the provisions of this Part shall not apply to that part of the activities as is materially related to petroleum operations.

¹ *This Part was inserted by Act No. 19 of 1998.* Application of Part I to IX to petroleum profits.

(3) For the purposes of this section, the term “petroleum operations” shall have the meaning assigned to it in section 2 of this Act.

105.—(1) In this Part, unless the context otherwise requires,

Interpretation in
this part.

“business” means any trade, manufacture, adventure or concern in the nature of trade;

“employment income” means income derived from services provided under a contract of service or apprenticeship or tenure of office, and includes income from employment as a consultant where such employment is for more than 60 days in the aggregate in any basis year;

“Public Investment Company” or “PIC” means a company which is designated as such under the International Business Companies Act, Cap. 270;

“PIC Group Company” means a company comprised in a PIC Group as that term is defined in the International Business Companies Act, Cap. 270 as amended;

“receipts” means all revenues, whether in cash or in kind, or whether received or accrued, of a person or entity carrying on trade or business or practicing his or its profession or vocation in Belize without any deduction, and includes,

7 of 1999.

- (a) rents, royalties, premiums and any other revenue receipts arising from property;
- (b) commissions, royalties and discounts;
- (c) dividends, interest including interest from investments, debentures, bills, bonds and notes,

Provided that in the case of a financial institution licensed under the Banks and Financial Institutions Act, Cap. 263

“interest” shall mean the difference between the interest earned and the interest paid on deposits as well as the interest paid on funds borrowed from abroad for on-lending in Belize as certified by the Central Bank of Belize;

3 of 2004.

- (d) winnings from lotteries, slot machines and table games;
- (e) management fees, rental of equipment and charges for technical services; but does not include,
 - (i) revenue replacement duty on fuel;
 - (ii) supply sales by a designated bulk fuel importer to other bulk fuel supplier;
 - (iii) excise duty;
 - (iv) accommodation tax payable under the Hotels and Tourist Accommodation Act;
 - (v) sales tax payable to Government;
 - (vi) funds received as an agent; or
 - (vii) any payment by a PIC Group Company of :
 - (a) a dividend or other distribution (whether by way of distribution of a profit of an income or capital nature); or
 - (b) interest or principal on any indebtedness, to the PIC or to another PIC Group Company;

7 of 1999.

- (viii) absolute and immediate gifts amounting in the aggregate to five hundred dollars or more, taking effect in Belize, for sports, religious, charitable, educational or cultural purposes

or for the improvement of amenities in towns or villages, up to a maximum of \$30,000 per annum, provided that the Commissioner is satisfied that the gifts were actually made;

“management fees” means payment for the provision of industrial or commercial advice or for management or technical services or similar services or facilities;

“professional” means any person or firm or any body of persons (whether corporate or unincorporated) engaged in a vocation or occupation in Belize including, but not limited to, the vocations, and occupations listed in the Eighth Schedule to this Act,

“rental” means payments of any kind received as consideration for the hire of plant or machinery or equipment of any kind or description, but does not include payments made under *bona fide* hire purchase agreements;

“revenue receipts” means any receipts other than receipts of a capital nature;

“tax” means the business tax levied under section 106 of this Act;

“telecommunication services” means the provision of telephone and other ancillary or related services.

(2) For the purpose of the definition of the expression “receipts”, the receipts shall be deemed to have accrued at the time when the goods or services are supplied or performed irrespective of the fact that payment or consideration therefor may have been deferred, and in the case of dividends and interest, the receipts shall be deemed to have accrued at the time when payment becomes due.

(3) The Minister may from time to time by Order published in the *Gazette* amend the Eighth Schedule to this Act.

(4) Where a word or expression used in this Part is not defined herein, the respective meaning assigned to that word or expression in Part I of this Act shall *mutatis mutandis* apply.

Imposition of business tax.

106.—(1) Subject to this Part, there shall be levied upon and paid by every individual, self-employed person, professional, firm, partnership or company (whether corporate or unincorporated) a tax to be known as “business tax” at the rates specified in section 107 of this Act, on all receipts as defined in this Part, whether received in Belize or elsewhere.

(2) For the purposes of this Part, interest paid by the Government, or by a resident or non-resident of Belize, on debts incurred or money borrowed and used for the purposes of a business or profession carried on in Belize shall be deemed to accrue in Belize and, as such, shall be subject to the provisions of this Part.

(3) Subsection (1) of this section, shall not apply to employment income as defined in this Part.

(4) Where the Commissioner is satisfied that,

- (a) a person or entity liable to pay tax is engaged primarily in export business or industry and the primary product originates in Belize;
- (b) the respective incomes of the processor/exporter and the primary producer arising out of such business or industry are determined by reference to a price formula or a scheme for co-operative distribution; and
- (c) the business or industry involved is in the nature of agriculture, food or food processing,

the tax shall be computed by reference to the receipts derived at the completion of processing and be levied on the processor/exporter accordingly, and shall not be recoverable from primary producers.

107.—(1) Commencing from July 1, 1998 and for each subsequent month the tax on the receipts shall be levied at the rates set out from time to time in the Ninth Schedule to this Act.

Rates of Tax.

(2) The National Assembly may at any time by resolution amend the Ninth Schedule and every such resolution shall, unless it be otherwise expressed in the resolution and subject to subsection (4) of this section, take effect from the passing thereof.

(3) A Bill to validate any such resolution shall be introduced into the National Assembly at its next practicable sitting after the passing of such resolution.

(4) In case no Bill is introduced into the National Assembly as provided in subsection (3) of this section, or on the withdrawal or rejection by the National Assembly of such Bill, or in case such Bill otherwise fails to become law, every such resolution shall cease to have effect.

(5) In the event of such resolution ceasing to have effect,

- (a) a refund of any increased tax collected under the resolution shall be made to the person who shall have paid the same; and
- (b) when the resolution shall have effected a reduction of the tax from any person, the Commissioner is hereby authorized to collect the difference between the tax payable at the time of reduction and that fixed by the resolution.

108.—(1) There shall be exempt from tax,

Exemptions from tax.

- (a) receipts from trade or of less than \$75,000.00 *per annum*, where such receipts are the only means of livelihood of the tax payer;
- (b) receipts from profession or vocation of less than \$20,000.00 *per annum*, where such receipts are the only source of livelihood of the tax payer;

6 of 2005.

- 3 of 2004. (c) rental receipts of less than eight hundred dollars per month where rents form the only source of livelihood of the taxpayer;
- (d) winnings from Boledo and Jackpot Lottery ;
- 3 of 2004. (e) winning from any lottery of less than one thousand five hundred dollars, or winnings from slot machines and table games of less than one thousand dollars;
- (f) interest from any debentures, treasury bills, treasury notes or bonds issued by or under the authority of the Government of Belize;
- (g) receipts of any local authority, statutory board or corporation or friendly society, or credit union or ecclesiastical, charitable or educational institution of a public character in so far as such receipts are not derived from a trade or business carried on by any of these entities;
- 7 of 1999. (h) interest on savings paid to any person provided that in the case of any person other than an employed person, the investment of funds does not constitute the normal trading activities of such person;
- (i) earnings from employment which are already subject to income tax under Parts I and II of this Act;
- (j) receipts of Belize Electric Company Limited and its successors and permitted assigns as provided in the Mollejon Hydroelectric Project (Exemptions from Taxes and Duties) Act, Cap. 59;
- 7 of 2009. (k) receipts of an Export Processing Zone Business in accordance with section 12 of the Export Processing Zone Act, Cap. 280.

- (l) dividends paid to their shareholders by entities licenced to provide telecommunication services that offer real time voice services.

30 of 2010.

(2) The Minister, may on application made to him and on the recommendations of the Revenue Advisory Board, by Order published in the *Gazette*, exempt from the payment of tax a newly-established business or industry during the first two years of its operation if in his opinion it is necessary to do so to alleviate hardship or financial difficulty,

Provided that in the case of a person or entity involved in the production of citrus or other long-term crops where the date of production is longer than two years from the start of the operation, the Minister may, acting as aforesaid, exempt such person or entity from the payment of tax for a maximum period of five years.

109.—(1) Every person or entity who is liable to be taxed under this Part shall file a return of total receipts by the 15th day following the end of every month, or at such other times as may be specified, in a form prescribed by the Commissioner and accompanied by payment of the estimated tax due for that period,

Duty to make returns and pay tax.

Provided that if receipts are solely from rents, royalties, premiums or other revenue receipts arising from real property, the returns shall be made half-yearly,

Provided further that if any such person or entity ceases to carry on business or to practice a profession, he or it shall file a return within seven days after the date of such cessation,

Provided further that in the case of a financial institution licensed under the Banks and Financial Institutions Act, Cap. 263 the returns shall be made quarterly.

(2) Whoever fails to file a return required under subsection (1) of this section commits an offence and shall be liable on summary conviction to a fine not exceeding ten thousand dollars and in default of payment of fine, to imprisonment for a term not exceeding two years,

7 of 1999.

16 of 2008.

(3) Without prejudice to subsection (2) of this section, every person who fails to file a return and pay the tax due, within the prescribed time, shall be liable to pay a penalty of ten percent of the amount due or assessed for each month or part of a month in which the return was not delivered continuing for a period of twenty four months, and in addition, shall be liable to pay interest at the rate of one and a half *per centum* per month or part thereof.

Commissioner to
make assessments.

110.—(1) Where a return has been delivered under this Part, the Commissioner may,

- (a) accept the return and make an assessment;
- (b) refuse to accept the return and determine to the best of his judgment the amount of tax payable and assess accordingly.

(2) Where a return has not been delivered, the Commissioner shall use his best judgment to determine the proper amount of tax due and make an assessment accordingly.

(3) The Commissioner may by notice in writing require any person or entity to furnish, within a specified time, a return of receipts and such particulars as may be required for the purposes of this Part to enable him to ascertain the receipts of such person or entity and, in particular, may require any person to produce all books, bank accounts, statements or other documents in his custody or under his control relating to the business.

(4) Every person or entity, whether or not such person or entity is liable to pay tax shall, if required by the Commissioner by notice in writing to make and deliver a return of his or its receipts, make and deliver such return to the Commissioner within ten days of the service of such notice.

(5) The tax assessed under this section is payable to the Commissioner by the person or entity assessed as a debt due and payable without further demand notwithstanding any review or appeal made under this Act and

such tax or part thereof shall be refunded if the review or appeal is determined in favour of the person or entity.

110A.—(1) Without prejudice to section 109 of this Act, every person who deals in real estate business shall, in addition to the return required under that section, submit to the Commissioner a statement in respect of each transaction conducted by him or her, containing full details of such transaction, including the location and value of the property involved, by the 15th day of the month following the month in which the transaction was conducted.

Real estate agents.
3 of 2004.

(2) Every person who contravenes the provisions of subsection (1) of this section, commits an offence and shall be liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both such fine and imprisonment.

(3) For the purposes of this section, “transaction” includes every transaction involving the purchase or sale of real estate, the lease or rental of such property, real estate management or protection, and any other business customarily appurtenant to the business of a real estate agent.

111.—(1) Where it appears to the Commissioner that any person or entity liable to pay tax has not been assessed or has been assessed at a lower amount than that which ought to have been charged, the Commissioner may, at any time within the year of assessment or within six years after the expiration thereof, assess such person or entity at such additional amount as according to his judgment ought to have been charged, and the provisions of this Act as to notice of assessment, appeal and other proceedings shall apply to such assessment or additional assessment and to the tax charged thereunder.

Additional assessments.

(2) The Commissioner may, if satisfied that the act of omission or commission amounts to fraud or contrivance, or gross and willful neglect on the part of the person or entity assessed, or to be assessed, charge such person or entity in respect of such additional tax and penalty an amount equal to double the amount of the tax and penalty payable on the excess.

(3) Where it comes to the notice of the Commissioner that a person or entity has not reported or disclosed any receipts which ought to have been reported or disclosed, such unreported receipts shall, notwithstanding the rates specified in the Ninth Schedule to this Act, be taxed at the rate of 50% of such receipts, in addition to any other penalties leviable under this Act or regulations made thereunder.

(4) Where a person dies and such person would but for his death have been chargeable to tax, the personal representatives of such person shall, to the extent of the estate of the deceased person, be liable to and charged with the payment of the tax which such person would have been chargeable, and shall be answerable for doing all such acts, matters and things as such person if he were alive would be liable to do under this Act.

(5) The provisions relating to assessments, review, objections, appeals, collections and the recovery of income tax contained in Part I of this Act shall apply *mutatis mutandis* to assessments, review, objections, appeal, collections and the recovery of tax under this Part.

Withholding tax
on gross contact
payments.

112.—(1) There shall be levied on all gross contract payments a withholding tax at the rate of three *per centum* of such payments.

(2) The amount levied under subsection (1) of this section, shall operate as a credit against the tax due from the contractor.

(3) For the purpose of this section,

“contract” means a contract awarded to or to be performed by a self-employed person, professional or entity for the carrying out of works or services, or for the supply of labour or materials, or for such other works or services as the Minister may by Order published in the *Gazette* prescribe;

“gross contract payment” means the total contract price without any deduction whatsoever.

(4) Where the gross contract payment is less than three thousand dollars the provisions of this section shall not apply.

(5) Every person who makes or is liable to make any gross contract payment to any person, professional or entity, shall deduct therefrom the amount specified under subsection (1) of this section and shall within fifteen days following the end of every month, render an account and remit the amount so deducted to the Commissioner, and in the event of failure to deduct the amount or render an account as aforesaid, every such amount shall be deemed to be a debt owing from such person to the Government and shall be recoverable as such, together with a penalty of \$100.00 or 10% of the tax due and payable, which ever is greater.

(6) Whoever fails or neglects to withhold the amount payable under this section shall, without prejudice to any other remedy available to the Commissioner, be guilty of an offence and shall be liable on summary conviction to a fine not exceeding one thousand dollars and in default of payment of the fine to imprisonment for a term not exceeding six months and in addition shall be liable to penalty of ten *per centum* of the amount not so withheld and remitted to the Commissioner.

16 of 2008.

113.—(1) Where any person or entity pays any winnings or prize from or in respect of a lottery or other similar activity, he or it shall, before paying any such winnings or prize, deduct therefrom tax at the rate of fifteen percent of such winnings or prize, and shall forthwith pay over to the Commissioner the amount of tax so deducted, and every such amount shall be a debt owing from him to the Government and shall be recoverable as such management fees, etc.

Miscellaneous taxes.

(2) Every company which pays dividend shall before making such payment deduct therefrom tax at the rate specified in the Ninth Schedule and shall within seven days render an account and remit the amount so deducted to the Commissioner and every such amount shall be a debt owing from the company to the Government and shall be recoverable as such.

(3) Every person who pays any management fees, rental of plant or equipment, or charges for technical services and insurance premium to a non-resident shall deduct therefrom tax at the rate of twenty-five percent

7 of 1999.

of such payment and shall forthwith render an account and remit the tax so deducted to the Commissioner and every such amount shall be a debt owing from him to the Government and shall be recoverable as such.

(4) Every person who pays interest on loans to a non-resident shall deduct therefrom tax at the rate of fifteen percent of such payment and shall forthwith render an account and remit the tax so deducted to the Commissioner and every such amount shall be a debt owing from him to the Government and shall be recoverable as such,

Provided that the tax shall not be deducted if,

7 of 1999.

(a) interest is paid on capital used in the development industries or projects specified by the Minister by Order published in the *Gazette*; and

(b) the Minister is satisfied with the ratio of paid up share capital to loan capital in such industries or projects; and

7 of 1999.

(c) tax is not chargeable on such interest payments in the country of residence of the person to whom such interest is paid, provided that the Minister may waive this requirement if he is satisfied that the loan capital could not be reasonably procured in Belize.

Provided further that where there is a difference or dispute as to whether tax is deductible under this section, the decision of the Minister thereon shall be final.

(5) Whoever fails or neglects to deduct the amount or to render an account or to pay the amount deducted to the Commissioner as provided in subsections(1), (2), (3) and (4) of this section shall, without prejudice to any other remedy available to the Commissioner, be guilty of an offence and shall be liable on summary conviction to a fine not exceeding one thousand dollars and in default of payment of fine to imprisonment for a term not exceeding six months.

(6) In the case of dividends or interest paid by a PIC Group Company to another PIC Group Company or to the PIC itself, the provisions of subsections (2) and (4) of this section shall not apply.

114.—(1) Where the Commissioner is satisfied that tax has been paid on receipts which turn out to be bad debts, he may allow a reduction in the receipts in respect of the current period to the extent of such bad debts,

Refund of excess tax.

Provided that if such bad debt is subsequently recovered the same shall be added to the receipts for the period in which such debt is recovered.

(2) Every person or entity who proves to the satisfaction of the Commissioner that he has paid tax in excess of the amount which he or it is required to pay under this Part, having regard to the exemptions contained in paragraphs (a) and (b) of subsection (1) of section 108 of this Act, shall be entitled to have the excess amount so paid refunded.

7 of 1999.

115. A person who has brought forward losses as agreed with the Commissioner during any basis year may be allowed to set-off the tax credit derived from such loss against the business tax due and payable in the subsequent years, provided that the set-off of such tax credit does not reduce the business tax payable by such person in any tax period by more than 20%.

Carry forward of losses.
7 of 1999.

116. Every person or entity who for the purpose of evading the payment of tax by himself or itself or by any other person or entity, knowingly makes any false statement or false representation shall be liable on summary conviction to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding twelve months.

Penalty for evasion.
19 of 1998.

117. Every person or entity who purchases an entity or business shall first ensure that all taxes due from such entity or business under this Part have been paid as evidenced by a certificate issued by the Commissioner, and in the event of his or its failure or neglect to obtain such certificate the purchaser shall be liable to pay to the Commissioner all arrears of tax due from such entity or business.

Purchaser of business, etc. to pay arrears of tax.

General penalty.

118. Every person on entity who contravenes any provision of this Part for which no specific penalty is provided commits an offence and is liable on summary conviction to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding six months, or to both such fine and term of imprisonment.

Regulations.

119.—(1) The Minister may make regulations for the better carrying out of the provisions of this Part and for prescribing anything that needs to be prescribed, including any special provisions for the administration and collection of tax in any particular business or industry.

(2) All regulations made by the Minister under this Part shall be laid before the National Assembly as soon as may be after the making thereof and shall be subject to negative resolution.

Transitional provisions.

120. The following provisions shall have effect for the basis year 1998 in respect of self-employed persons, companies and other entities who remain liable to pay income tax under section 5 (a) of this Act, up to the period ending 30 June, 1998,

- (a) in section 2, the “year of assessment” shall mean the six month period from 1st January to 30th June, 1998;
- (b) in section 12, subsection (1)(a)(ii), the words “two thousand dollars” [as inserted by Act No. 3 of 1992] shall be read as “one thousand dollars”;
- (c) in section 12, subsection (1)(b)(ii), the words “seven hundred and fifty dollars” [as inserted by Act No. 3 of 1992] shall be read as “three hundred and seventy-five dollars”;
- (d) in section 12, subsection (1)(j), [inserted by Act No. 3 of 1992] the words “one thousand dollars” shall be read as “five hundred dollars”;
- (e) in section 17 (1) [inserted by Act No. 16 of 1994], the figures “\$25,000.00”, “\$10,400.00” and “\$8,000.00” shall be read as “\$12,500.00”, “\$5,200.00” and “\$4,000.00” respectively.

121.—(1) In the case of a company enjoying, as of 1st July, 1981, an income tax concession (wholly or partially) under the Fiscal Incentives Act, Cap. 54 the Minister may, on application made by the company and by Order published in the *Gazette*, grant a reduction not exceeding fifty percent of the business tax payable by such company for the remaining period of its tax concession holiday,

Tax holiday companies.

Provided that the Minister may waive the whole or part of business tax payable by such company if he is satisfied that it is necessary to do so to alleviate hardship or financial difficulty.

(2) The abolition of corporate income tax effected by the Income Tax (Amendment) Act, No. 19 of 1998, did not affect the liability of such company to pay the tax before the commencement of the Act, and any tax arrears or tax due or outstanding at the commencement may be collected, and assessments therefor may be issued, as if the amendment of corporate income tax had never been made.

7 of 1999.

PART XI²

Petroleum Surcharge

122.—(1) In this Part, unless the context otherwise requires,

Interpretation in this Part.

“Chargeable Revenue” means the aggregate of all proceeds of sales and other dispositions of crude oil above the Threshold Price, whether in cash or in kind, or whether actually received or accrued without any deduction save and except the following deductions,

- (a) Royalty paid to the Government by a contractor under section 31 of the Petroleum Act, Cap. 225 and in accordance with the terms of a Production Sharing Agreement in respect of sales and other dispositions of crude oil above the Threshold Price; and

² Sections 122 to 133 in this Part were inserted by Act No. 12 of 2008.

- (b) Production Share paid to the Government by a contractor in accordance with the terms of a Production Sharing Agreement in respect of sales and other dispositions of crude oil above the Threshold Price;

“Class A Contractor” means a contractor who is in commercial production of petroleum at 1st day of September, 2008;

“Class B Contractor” means a contractor other than a Class A Contractor;

“Cost-recovery period” means the period specified in section 127 of this Act, during which a contractor will be exempt from the payment of petroleum surcharge under this Part;

“Existing Oil Field” means the oil field which is in commercial production at 1st day of September 2008;

“Government” means the Government of Belize;

“New Oil Field” means an oil field which is not an Existing Oil Field as defined in this section;

“Threshold Price” means,

- (a) in the case of a Class A Contractor in respect of an Existing Oil Field -US\$90.00 per barrel;
- (b) in the case of a Class A Contractor in respect of new oil fields on commercial production - US\$100.00 per barrel;
- (c) in the case of a Class B Contractor - US\$100.00 per barrel.

(2) Other words and expressions used in this Part but not defined herein shall have the meanings respectively assigned to them in Parts I and II of this Act or in the Petroleum Act, Cap. 225 unless the context otherwise requires.

123.—(1) Subject to this Part, there shall be levied and paid by every person engaged in petroleum operations a petroleum surcharge (hereinafter also referred to as ‘the surcharge’) at the rates specified in section 124 of this Act, on the Chargeable Revenue of such person as defined in this Part, whether received in Belize or elsewhere.

Imposition of petroleum surcharge.

(2) The surcharge levied under subsection (1) of this section, shall be in addition to the income tax payable by such person under Parts I and II of this Act on the profits arising from petroleum operations, but the amount of the surcharge paid under this Part shall count as an expense for determining the chargeable income of such person for the purpose of computing his or its income tax liability.

(3) The surcharge levied by this section shall be payable in the currency of the United States of America.

124.—(1) The surcharge on the Chargeable Revenue of a person shall be levied at the following rates,

Rates of surcharge.

- (a) in the case of a Class A Contractor in respect of an Existing Oil Field, as defined in section 122, 50% of Chargeable Revenue;
- (b) in the case of a Class A Contractor in respect of any new oil field on commercial production and in the case of a Class B Contractor, such percentage of Chargeable Revenue as shown in the Tenth Schedule to this Act depending on the price of crude oil.

(2) The special rate of 50% for a Class A Contractor in respect of an Existing Oil Field, as shown above, shall remain in force for a period of five years from the 1st day of September, 2008 and thereafter, such a Contractor will be liable to pay the surcharge in accordance with and at the rates shown in the Tenth Schedule.

125.—(1) The Threshold Price specified in section 122 of this Act, shall be reviewed annually by the Government in consultation with representatives of the petroleum industry with a view to determining

Adjustment to threshold price.

whether any adjustments are needed to take account of any material changes in the prevailing circumstances.

(2) A Bill to give effect to any such adjustments shall be introduced into the next practicable sitting of the National Assembly after such review.

Crude oil price and hedging arrangements.

126.—(1) For the purposes of this Part, crude oil prices will be determined in accordance with the Petroleum Act, Cap. 225, the Petroleum Regulations and the terms of a Production Sharing Agreement contained in Statutory Instrument No. 11 of 1992; and, subject to subsection (2) of this section, no deductions will be allowed for any losses caused by hedging arrangements unless such arrangements were made with the prior written consent of the Minister given with the approval of the Cabinet.

(2) In the case of a Class A Contractor, any existing hedging arrangements pertaining to an Existing Oil Field will be taken into consideration in determining the well-head price for the purpose of computing the petroleum surcharge, but not for any other tax computations.

Exemption from surcharge during cost-recovery period.

127.—(1) Subject to the provisions of this section, a Class B Contractor will be exempt from the payment of surcharge under this Part in respect of an oil field from the date of declaration of commerciality to allow for the recovery of the initial capital investment (i.e., approved exploration costs that apply to that field and costs in accordance with the approved development plans for the field).

(2) For the purpose of subsection (1) of this section, the maximum exemption period will be three years from the date of declaration of commerciality of the field for onshore fields, and five years from such declaration for offshore fields,

Provided that if the initial capital investment is recovered before the expiry of the maximum exemption period specified above, as verified by the Inspector of Petroleum, the exemption period will immediately cease and the Contractor will become liable for the payment of the surcharge under this Part.

(3) Subsections (1) and (2) of this section will also apply to a Class A Contractor in respect of any new oil field upon declaration of commerciality.

128.—(1) The surcharge levied under this Part shall be computed on a quarterly basis and every person or entity who is liable to pay surcharge under this Part shall file a return of his Chargeable Revenue by the last day of the month following the end of the preceding quarter, or at such other times as may be specified, in a form prescribed by the Commissioner and accompanied by payment of the estimated surcharge due for that period.

Duty to make returns and pay surcharge.

(2) Whoever fails to file a return and pay surcharge required under subsection (1) of this section commits an offence and shall be liable on summary conviction to a fine not exceeding one hundred thousand dollars or to imprisonment for a term not exceeding two years, or to both such fine and imprisonment.

(3) Without prejudice to subsection (2) of this section, every person who fails to file a return and pay the surcharge due, within the prescribed time, shall be liable to pay a penalty of ten percent of the amount due or assessed for each quarter or part of the quarter in which the return was not delivered and in addition, shall be liable to pay interest at the rate of one and a half *per centum* per month.

129.—(1) Where a return has been delivered under this Part, the Commissioner may,

Commissioner to make assessment.

- (a) accept the return and make an assessment; or
- (b) refuse to accept the return and determine to the best of his judgment the amount of surcharge payable and assess accordingly.

(2) Where a return has not been delivered, the Commissioner shall use his best judgment to determine the proper amount of surcharge due and make an assessment accordingly.

(3) The Commissioner may by notice in writing require any person or entity engaged in petroleum operations to furnish, within a specified time, a return of gross revenues and such other particulars as may be required for the purposes of this Part to enable him to ascertain the Chargeable Revenue of such person or entity and, in particular, may require any person

to produce all books, bank accounts, statements or other documents in his or her custody or under his or her control relating to the petroleum operations.

(4) Every person or entity engaged in petroleum operations, whether or not such person or entity is liable to pay surcharge, shall, if required by the Commissioner by notice in writing to make and deliver a return of his or its gross revenues, make and deliver such return to the Commissioner within ten days of the service of such notice.

(5) The surcharge assessed under this section is payable to the Commissioner by the person or entity assessed as a debt due and payable without further demand notwithstanding any review or appeal, whether made or filed under this Act or under any other law, and such surcharge or part thereof shall be refunded if the review or appeal is determined in favour of the person or entity.

Additional assess-
ment.

130.—(1) Where it appears to the Commissioner that any person or entity liable to pay surcharge under this Part has not been assessed or has been assessed at a lower amount than that which ought to have been charged, the Commissioner may, at any time within the year of assessment or within six years after the expiration thereof, assess such person or entity at such additional amount as, according to his or her judgment ought to have been charged, and the provisions of this Act as to notice of assessment, appeal and other proceedings shall apply to such assessment or additional assessment and to the surcharge charged thereunder.

(2) The Commissioner may, if satisfied that the act of omission or commission amounts to fraud or contrivance, or gross and willful neglect on the part of the person or entity assessed, or to be assessed, charge such person or entity in respect of such additional surcharge and penalty an amount equal to double the amount of the surcharge and penalty payable on the excess.

(3) The provisions relating to assessments, review, objections, appeals, collections and the recovery of income tax contained in Part I of this Act shall apply *mutatis mutandis* to assessments, review, objections, appeals, collections and the recovery of surcharge under this Part.

131. Every person or entity who for the purpose of evading the payment of surcharge under this Part by himself, herself or itself or by any other person or entity, knowingly makes any false statement or false representation shall be liable on summary conviction to a fine not exceeding five hundred thousand dollars or to imprisonment for a term not exceeding five years, or to both such fine and imprisonment.

Penalty for evasions.

132.—(1) Every person or entity who contravenes any provision of this Part for which no specific penalty is provided commits an offence and is liable on summary conviction to a fine not exceeding one hundred thousand dollars or to imprisonment for a term not exceeding two years, or to both such fine and term of imprisonment.

General penalty.

(2) Where an offence under any provision of this Part is committed by a body of persons, whether corporate or unincorporated, every person who, at the time of the commission of the offence, acted in an official capacity for or on behalf of such body of persons, whether as director, manager, secretary or other similar officer, or was purporting to act in such capacity, shall be guilty of that offence and punished accordingly, unless he adduces evidence to show that the offence was committed without his knowledge, consent or connivance.

133.—(1) The Minister may make regulations for the better carrying out of the provisions of this Part and for prescribing anything that needs to be prescribed.

Regulations.

(2) All regulations made by the Minister under this Part shall be laid before the National Assembly as soon as may be after the making thereof and shall be subject to negative resolution.

FIRST SCHEDULE

INCOME AND BUSINESS TAX ACT

Warrant to Levy

[Section 68]

BELIZE

By -----Chief Income Tax Collector of the-----
Country of Belize.

-----a bailiff appointed by the said

TO

Chief Income Tax Collector in this behalf.

WHEREAS the several persons named in the List attached to this Warrant are respectively liable in respect of income tax to pay the several amounts set opposite their names respectively in such List:

AND WHEREAS default has been made in payment of the same: YOU are therefore hereby enjoined and required to make demand of the several sums mentioned in the said List from the persons liable therefor or on the premises charged with the assessment, as the case may require, and upon payment thereof, to give acquittances under your hand unto the several persons who shall pay the same; and if any sum or sums remain unpaid after demand duly made by you then you are hereby enjoined and required to levy upon each and every of the persons named in the List such sums of money as shall be sufficient to pay the amount set opposite to the names of such persons in the said List together with the cost attending any levy and any sale thereon or any and all other proceedings consequent thereon. And of your proceedings herein you are forthwith to make your Return to me or to the Revenue Officer of .

GIVEN under my hand at Belize City, Belize, the..... day of, 20.....

.....*Chief Income Tax Collector*

SECOND SCHEDULE

INCOME AND BUSINESS TAX ACT

Præcipe to Levy by Sale of

Lands or Houses

[Section 71(3)]

BELIZE

By -----Chief Income Tax Collector of Belize.

TO -----the Sub-Treasurer (or) Revenue Officer in charge of the District.

WHEREAS the lands or houses of the several persons named in the List to this Warrant attached are respectively liable under for the several amounts set opposite their respective names: **AND WHEREAS** the lands or houses named in the said list are likewise respectively liable for the amount aforesaid whether or not the persons named are in possession thereof:

AND WHEREAS default has been made in payment of the said amounts: **YOU** are therefore hereby enjoined and required to levy upon and sell the lands of which the several persons named in the said List are possessed, or a sufficient part thereof, to satisfy the amounts set opposite their respective names as aforesaid together with the costs attending any such levy and sale and all other proceedings consequent thereon.

AND in default of satisfaction thereby, then, if the persons named are not now in possession of the lands or houses named in the said List, you are hereby enjoined and required to levy upon the lands or houses last mentioned. And of your proceedings herein you are to make Returns to me at the end of every calendar month commencing from the date hereof until your final Return which you are to make to me on or before the thirtieth day of April next.

GIVEN under my hand at Belize City, Belize, the.....day of.....

.....

Chief Income Tax Collector.

THIRD SCHEDULE

INCOME AND BUSINESS TAX ACT

Notice to Defaulter

[Section 72]

BELIZE

By -----Chief Income Tax Collector of

TO -----Defaulter

TAKE NOTICE that you are hereby required to fill in the following form with the statements and information thereby required, to sign the same and to deliver it within seven days from the date of the service thereof to the Officer in charge of the Revenue Office of the District in which you live.

AND FURTHER TAKE NOTICE that in default of your delivering such form duly filled in and signed as aforesaid, you will be liable to a fine not exceeding twenty-five dollars.

FORM

Do you admit that you owe \$ for Income Tax and \$for fines in respect of

If the whole of the above-mentioned amount is not owing by you, state how much is owing by you.

If the above-mentioned amount or any part thereof is not owing by you, but is owing by some other person, state the name of that person.

Have you any right, title or interest in the following properties? If you have, state the nature of your interest therein.

.....
.....
.....

State any reason you may have for claiming that your property should not be sold to satisfy the amount due by you.

DATED thisday of..... 20.....

TO CHIEF INCOME TAX COLLECTOR
Served by me on the.....day of..... 20.....

Bailiff or Server

FOURTH SCHEDULE

INCOME AND BUSINESS TAX ACT

Form of Conveyance

[Section 76]

THIS INDENTURE made the..... day of..... 20.....

Betweenthe Chief Income Tax Collector of the country of Belize (hereinafter called “the Chief Collector”) of the one part and(hereinafter called “the Grantee”) of the other part:

WITNESSETH that in consideration of the sum of ----- paid by the Grantee to the Government of Belize (the receipt whereof is hereby acknowledged) the Chief Collector doth, pursuant to and in exercise of the powers in him vested by the laws of Belize relating to Income and Business Tax, hereby grant to the Grantee **ALL THAT**

EXCEPTING AND RESERVING to the State, out of the grant hereby intended to be made, all the rights, liberties and benefits in respect of the said land and every portion thereof reserved to the State under and by virtue of the National Lands Act, Chapter 191 of the Revised Edition, 2000, to hold the said hereditaments unto and to the use of the Grantee in fee simple.

IN WITNESS whereof the Chief Collector has hereunto set his hand and seal the day and year above written.

SIGNED, sealed and delivered by the said

L. S.

in the presence of

Chief Income Tax Collector

FIFTH SCHEDULE

INCOME AND BUSINESS TAX ACT
Allowances for Tear and Wear
[Section 12]

ARRANGEMENT OF ALLOWANCES

1. Years of assessment affected.
2. Interpretation.
3. Owner and relevant interest.
4. Sale of buildings.
5. Annual allowances.
6. Asset to be in use at end of basis period.
7. Balancing allowances.
8. Balancing charges.
9. Residue.
10. Meaning of “disposed of”.
11. Value of an asset.
12. Apportionment.
13. Part of an asset.
14. Extension of meaning of “in use”.
15. Exclusion of certain expenditure.
16. Application to lessors.
17. Asset used or expenditure incurred partly for the purposes of a trade or business.
18. Disposal without change of ownership.
19. Application to professions, vocations and employments.
20. Partnerships.
21. Allowances made.
22. Claims for allowances.
23. Election in double taxation cases.
24. Manner of making allowances and charges.

Years of assessment affected.

1. The provisions of this Schedule with respect to the making of allowances and charges shall have effect for the year of assessment commencing on the 1st January 1964, and for each succeeding year of assessment and any references in this Schedule to a year of assessment do not include any year of assessment commencing prior to the 1st January 1964, except where specific reference is made in allowance 16 to the year of assessment commencing on the 1st January 1963.

Interpretation.

2. For the purposes of this Schedule,

“lease” includes an agreement for a lease where the term to be covered by the lease has begun, any tenancy and any agreement for the letting or hiring out of an asset, but does not include a mortgage, and the expression “leasehold interest” shall be construed accordingly and,

- (a) where, with the consent of the lessor, a lessee of any asset remains in possession thereof after the termination of the lease without a new lease being granted to him or her, that lease shall be deemed for the purposes of this Schedule to continue so long as he remains in possession as aforesaid; and
- (b) where, on the termination of a lease of any asset, a new lease of that asset is granted to the lessee this Schedule shall have effect as if the second lease were a continuation of the first lease;

“qualifying expenditure” means, subject to the express provisions of this Schedule, expenditure incurred in a basis year which is,

- (a) capital expenditure (in this Schedule called “qualifying plant expenditure”) incurred on plant, machinery or fixtures;
- (b) capital expenditure (in this Schedule called “qualifying industrial building expenditure”) incurred on the construction of industrial buildings, structures or works of a permanent nature, other than expenditure

which is included in sub-allowance (a) of this definition.

For the purposes of this definition where,

- (i) expenditure is incurred for the purposes of a trade or business by a person about to carry on such trade or business, and
- (ii) that expenditure is incurred in respect of an asset owned by that person,

if that expenditure would have fallen to be treated as qualifying expenditure if it had been incurred by that person on the first day on which he carries on that trade or business, that expenditure shall be deemed to be qualifying expenditure incurred by him on that day;

“trade or business” means a trade or business or that part of a trade or business the profits of which are assessable under this Act;

“industrial building or structure” means any building or structure in regular use,

- (i) as a mill, factory, mechanical workshop, or other similar building, or as a structure used in connection with any such buildings;
- (ii) as a dock, port, wharf, pier, jetty or other similar building or structure;
- (iii) as a storehouse or for housing any plant and in either case used wholly and exclusively for or in connection with either any building or structure mentioned in provisions (i) or (ii);
- (iv) for the operation of a railway for public use or of a water, or electricity undertaking for the supply of water or electricity for public consumption;

- (v) for husbandry or the working of a plantation or forestry enterprise;
- (vi) as a dwelling, or building or structure constructed for occupation by, or for the welfare of, employed persons whose duties are performed or mainly performed in the industrial buildings or structures falling with (i), (ii), (iii), or (iv) or who are engaged in husbandry or who are working on the land or in a factory on a plantation or forestry enterprise;
- (vii) as a warehouse, whether refrigerated or not, wholly, exclusively and regularly in use for the hire of storage space to the public, and any dwelling wholly, exclusively and regularly in use by employees of the owner of such dwelling whose duties are solely concerned with the running of any such warehouse;

“qualifying hotel” means a hotel registered under the Hotels and Tourist Accommodation Act, Cap. 285 which complies with the following requirements,

- (a) it is open for at least four months (one hundred and twenty days) in the season, which means the seven months from first September to thirty-first March;
- (b) that during the time when it is open in the season,
 - (i) it has at least ten letting bedrooms;
 - (ii) the sleeping accommodation offered at the hotel consists wholly or mainly of letting bedrooms; and
 - (iii) the services provided for guests normally include the provision of breakfast and an evening meal, the making of beds and the cleaning of rooms.

3.–(1) For the purposes of this Schedule, where an asset consists of an industrial building, structure or works the owner thereof shall be taken to be the owner of the relevant interest in such building, structure or works.

Owner and relevant interest.

(2) Subject to this paragraph, in this Schedule, the expression “the relevant interest” means, in relation to any expenditure incurred on the construction of an industrial building, structure or works, the interest in such industrial building, structure or works to which the person who incurred such expenditure was entitled when he incurred it.

(3) Where, when he incurs qualifying industrial building expenditure on the construction of an industrial building, structure or works, a person is entitled to two or more interests therein, and one of those interests is an interest which is reversionary on all the others, that interest shall be the relevant interest for the purposes of this Schedule.

4. Where capital expenditure has been incurred on the construction of an industrial building, structure or works and thereafter the relevant interest therein is sold, the person who buys that interest shall be deemed, for all the purposes of this Schedule, to have incurred, on the date when the purchase price became payable, capital expenditure on the construction thereof equal to the price paid by him for such interest or to the original cost of construction whichever is the less,

Sale of buildings.

Provided that, where such relevant interest is sold before the industrial building, structure or works has been used, the foregoing allowance shall have effect with respect to such sale and the original cost of construction shall be taken to be the amount of the purchase price on such sale,

Provided also that where any such relevant interest is sold more than once before the industrial building, structure or works is used, the foregoing proviso shall have effect only in relation to the last of those sales.

5.–(1) Subject to this Schedule, where in his basis year for a year of assessment the owner of any asset has incurred in respect thereof qualifying expenditure wholly and exclusively for the purposes of a trade or business carried on by him, there shall be made to that person for each

Annual allowances.

year of assessment, in his basis year for which that asset was used for the purposes of that trade or business, an allowance (in this Schedule called “an annual allowance”) at the appropriate rate *per centum*, mentioned in sub allowance(2), of the residue of such expenditure at the end of the basis year for that year of assessment,

Provided that where the basis period for any year of assessment is a period of less than one year any such allowance for that year of assessment shall be proportionately reduced.

(2) The said rate shall in the case of,

(a) qualifying industrial building expenditure be at the following rates,

Buildings housing machinery 5%

Reinforced concrete buildings 2½ %

Wooden and other buildings 3%

(b) qualifying hotel building be four *per centum*;

(c) qualifying plant expenditure, be such rate *per centum* as shall be determined by the Commissioner to be just and reasonable having regard to the working life of the asset and to the estimated value thereof at the end of such working life.

32 of 1987.

Asset to be in use at end of basis period.

6. An annual allowance in respect of qualifying expenditure incurred in respect of any asset shall only be made to a person for a year of assessment if at the end of his basis period for that year he was the owner of that asset and it was in use for the purposes of a trade or business carried on by him.

Balancing allowances.

7. Subject to this Schedule, where in his basis period for a year of assessment the owner of an asset, who has incurred in respect thereof qualifying expenditure wholly and exclusively for the purposes of a trade or business carried on by him, disposes of that asset an allowance (in this Schedule called “a balancing allowance”) shall be made to that person

for that year of the excess of the residue of that expenditure, at the date such asset is disposed of, over the value of that asset at that date,

Provided that a balancing allowance shall only be made in respect of such asset if immediately prior to its disposal it was in use by such owner in the trade or business for the purposes of which such qualifying expenditure was incurred.

8. Subject to this Schedule, where in his basis period for a year of assessment the owner of an asset, who has incurred in respect thereof qualifying expenditure wholly and exclusively for the purposes of a trade or business carried on by him, dispose of that asset, a charge (in this Schedule called “a balancing charge”) shall be made on that person for that year of the excess of the value of that asset, at the date of its disposal, over the residue of that expenditure at that date,

Balancing charges.

Provided that a balancing charge shall only be made in respect of such asset if immediately prior to its disposal it was in use by such owner in the trade or business for the purposes of which such qualifying expenditure was incurred and shall not exceed the total of any allowances made under this Schedule in respect of such asset.

9.—(1) The residue of qualifying expenditure, in respect of any asset, at any date, shall be taken to be the total qualifying expenditure incurred on or before that date, by the owner thereof at that date, in respect of that asset, less the total of any annual allowances made to such owner, in respect of that asset, before that date.

Residue.

(2) For the purposes of this paragraph, an annual allowance shall be deemed to be made at the end of the basis year for the year of assessment for which any such allowance is made.

10. Subject to any express provision to the contrary, for the purposes of this Schedule,

Meaning of “disposed of.”

(a) an industrial building, structure or works of a permanent nature is disposed of if any of the following events occur,

- (i) the relevant interest therein is sold; or
 - (ii) that interest, being a leasehold interest, comes to an end otherwise than on the person entitled thereto acquiring the interest which is reversionary thereon; or
 - (iii) the industrial building, structure or works of a permanent nature are demolished or destroyed or, without being demolished or destroyed, cease altogether to be used for the purposes of a trade or business carried on by the owner thereof;
- (b) plant, machinery or fixtures are disposed of if they are sold, discarded or cease altogether to be used for the purposes of a trade or business carried on by the owner thereof.

Value of an asset.

11.—(1) The value of an asset at the date of its disposal shall be the net proceeds of the sale thereof or of the relevant interest therein, or, if it was disposed of without being sold, the amount which, in the opinion of the Commissioner, such asset or the relevant interest therein, as the case may be, would have fetched if sold in the open market at that date, less the amount of any expenses which the owner might reasonably be expected to incur if the asset were sold.

(2) For the purpose of this paragraph, if an asset is disposed of in such circumstances that insurance or compensation monies are received by the owner thereof, the asset or the relevant interest therein, as the case may be, shall be treated as having been sold and as though the net proceeds of the insurance or compensation monies were the net proceeds of the sale thereof.

Apportionment.

12.—(1) Any reference in this Schedule to the disposal, sale or purchase of any asset includes a reference to the disposal, sale or purchase of that asset, as the case may be, together with any other asset, whether or not qualifying expenditure has been incurred on such last-mentioned asset,

and, where an asset is disposed of, sold or purchased together with another asset, so much of the value of the assets as, on a just apportionment, is properly attributable to the first-mentioned asset shall, for the purposes of this Schedule, be deemed to be the value of or the price paid for that asset, as the case may be.

(2) For the purposes of this sub-paragraph, all the assets which are purchased or disposed of in pursuance of one bargain shall be deemed to be purchased or disposed of together, notwithstanding that separate prices are or purport to be agreed for each of those assets or that there are or purport to be separate purchases or disposals of those assets.

(3) Sub-paragraph (1) shall apply, with any necessary modifications, to the sale or purchase of the relevant interest in any asset together with any other asset or relevant interest in any other asset.

13. Any reference in this Schedule to any asset shall be construed whenever necessary as including a reference to a part of any asset (including an undivided part of that asset in the case of joint interests therein) and when so construed any necessary apportionment shall be made as may, in the opinion of the Commissioner, be just and reasonable.

Part of an asset.

14.-(1) For the purposes of this Schedule, an asset shall be deemed to be in use during a period of temporary disuse.

Extension of meaning of "in use".

(2) For the purposes of allowances 5 and 6,

- (a) an asset in respect of which qualifying expenditure has been incurred by the owner thereof for the purposes of a trade or business carried on by him or her shall be deemed to be in use, for the purposes of that trade or business, between the dates hereinafter mentioned, where the Commissioner is of the opinion that the first use to which the asset will be put by the person incurring such expenditure will be for the purposes of that trade or business;

- (b) the said dates shall be taken to be the date on which such expenditure was incurred and the date on which the asset is in fact first put to use,

Provided that where any allowances have been given in consequence of this sub-paragraph and the first use to which such asset is put is not for the purposes of such trade or business, all such additional assessments shall be made as may be necessary to counteract the benefit obtained from the giving of any such allowances.

Exclusion of certain expenditure.

15. Where any person has incurred expenditure which is allowed to be deducted, in computing the gains or profits of his trade or business under section 12 of this Act, such expenditure shall not be treated as qualifying expenditure.

Application to lessors.

16.—(1) Where the owner of an asset,

- (a) has incurred capital expenditure in respect thereof for the purposes of leasing that asset for use wholly and exclusively for the purposes of a trade or business carried on or about to be carried on by a person;
- (b) leases the asset to such person; and
- (c) during the whole or part of the term of the lease, the asset is used wholly and exclusively by such person in such trade or business,

this Schedule shall apply, with such necessary modifications as the Commissioner may direct, as though such expenditure were incurred wholly and exclusively for the purposes of a trade or business carried on by the owner from the date when such expenditure was incurred and as though the owner were using the asset for the purposes of such last-mentioned trade or business in the way in which and for the period or periods during which the asset is in fact used in the first-mentioned trade or business.

(2) For the purposes of this paragraph in relation to the trade or business which an owner is to be treated as carrying on, his basis year

for any year of assessment shall be taken to be the year immediately preceding that year of assessment.

17.—(1) This paragraph shall apply where either or both of the following conditions apply with respect to any asset,

Assets used or expenditure incurred partly for the purposes of a trade or business.

- (a) the owner of the asset has incurred in respect thereof qualifying expenditure partly for the purposes of a trade or business carried on by him and partly for other purposes;
- (b) the assets in respect of which qualifying expenditure has been incurred by the owner thereof is used partly for the purposes of a trade or business carried on by such owner and partly for other purposes.

(2) Any allowances and any charges which would be made if both such expenditure were incurred wholly and exclusively for the purposes of such trade or business and such asset were used wholly and exclusively for the purposes of such trade or business shall be computed in accordance with this Schedule.

(3) So much of the allowances and charges computed in accordance with subparagraph (a) shall be made as in the opinion of the Commissioner are just and reasonable having regard to all the circumstances and to the provisions of this Schedule.

18. Where an asset in respect of which qualifying expenditure has been incurred by the owner thereof has been disposed of in such circumstances that such owner remains the owner thereof, then, for the purposes of determining whether and, if so in what amount, any annual or balancing allowance or balancing charge shall be made to or on such owner in respect of his use of that asset after the date of such disposal,

Disposal without change or ownership.

- (a) qualifying expenditure incurred by such owner in respect of such asset prior to the date of such disposal shall be left out of account; but

- (b) such owner shall be deemed to have bought such asset immediately after such disposal for a price equal to the residue of such qualifying expenditure at the date of such disposal, increased by the amount of any balancing charge or decreased by the amount of any balancing allowance made as a result of such disposal.

Application to professions, vocations and employments.

19. In relation to qualifying plant expenditure, this Schedule shall apply as if references to a trade or business included references to a profession or vocation the profits of which are assessable under this Act.

Partnerships.

20.—(1) This paragraph shall have effect for the purposes of this Schedule, in relation to a trade or business and the person or persons hereinafter mentioned carrying on such trade or business, throughout the period (hereinafter called “the relevant period”) being,

- (a) any period during which the trade or business is carried on by persons in partnership and at least one of such persons, engaged in carrying on the trade or business as a partner in a partnership at any time, is so engaged immediately after that time, whether as a partner in the same partnership or as a partner in a different partnership carrying on the trade or business; or
- (b) the aggregate of any of the following periods which are successive,
- (i) any period, ending immediately prior to a person becoming a partner in a partnership carrying on the trade or business, during which such person was carrying on the trade or business on his own account;
- (ii) any period ascertained under subparagraph (a);
- (iii) any period during which a person is carrying on the trade or business on his own account, where such person was a partner in a partnership

carrying on the trade or business immediately before such period.

(2) Such trade or business shall throughout the relevant period be deemed to be carried on by one and the same person (hereinafter called “the deemed person”) and any allowance or charge which would then fall to be made to or on the deemed person, under this Schedule, if the deemed person were an actual person, shall be computed as though the deemed person had done all things which were done for the purposes of such trade or business by the person or persons actually carrying on such trade or business during the relevant period.

(3) The amount of any such computed allowance or charge in respect of any asset shall be allocated to the person, or apportioned amongst the persons, actually carrying on the trade or business, in the same manner as any capital loss, in the case of an allowance, or any capital gain, in the case of a charge, in respect of such asset, would fall on or accrue to such person or persons, if such loss or gain arose in the course of carrying on the trade or business and as a result of an event occurring,

- (a) in the case of an annual allowance, at the end of the basis period by reference to which such allowance has been computed; and
- (b) in the case of a balancing allowance or charge, at the date of the disposal of the asset.

(4) Any amount so allocated to or apportioned to any person in respect of any such computed allowance or charge shall be treated as an allowance or charge for the purposes of this Schedule relating to deduction from and additions to the chargeable income and shall be made to or on him for the year of assessment for which the amount of such allowance or charge has been so computed.

(5) For the purposes of this paragraph, an asset is not disposed of within the meaning of allowance 10 so long as the asset is used for the purposes of the trade or business during the relevant period and at least one of the persons actually engaged in carrying on the trade or business has an interest in the asset, or in the relevant interest therein, during the relevant period.

(6) In the application of this paragraph with any of the other paragraphs those provisions shall be applied with any modifications which the Commissioner may consider necessary in order to give effect to the principles and provisions of this paragraph, and, if he sees fit, the Commissioner may from time to time prescribe rules embodying any such modifications as he may consider necessary.

Allowances made.

21. Any reference in this Schedule to an allowance made includes a reference to an allowance which would be made but for an insufficiency of chargeable income against which to make it.

Claims for allowances.

22.—(1) No allowance shall be made to any person for any year of assessment under this Schedule unless claimed in the statement required to be delivered by him under section 31 of this Act, for that year or, where the Commissioner is of the opinion that it would be reasonable and just to do so, in such form and within such time as the Commissioner may allow.

(2) In the case of a partnership there shall be included in the form of return required to be delivered by any partner under section 35 of this Act, such particulars and information as may be necessary for the purpose of any claim by any partners for any allowance which falls to be computed by reference to the provisions of allowance 22.

Election in double taxation cases.

23.—(1) Where a person makes a claim to an annual allowance under this Schedule in connection with any trade or business, if the taxes in respect of the profits of that trade or business are the subject of an arrangement, having effect by virtue of section 50 of this Act, between the Government of Belize and the Government of any other territory, for relief from double taxation, he may elect, at the time of making such claim or within such reasonable time thereafter as the Commissioner may allow, that that allowance shall be calculated at a lesser rate than that provided for in paragraph 5 and in making such election he shall specify the amount of such lesser rate.

(2) Where an election has been made under this paragraph the amount of such lesser rate shall be taken to be the appropriate rate in relation to that allowance for all the purposes of this Schedule.

24.--(1) The amount of any charge to be made on a person under this Schedule shall be made on him by making an addition to his chargeable income for the year of assessment for which such charge falls to be made under this Schedule,

Manner of making allowances and charges.

Provided that where any such charge falls to be made on any person for any year of assessment, whenever necessary by reason of the assessment on that person having become final and conclusive for that year or for other sufficient reason, the Commissioner may make an additional assessment upon such person in respect of the amount of such charge.

(2) The amount of any allowance to be made to a person under this Schedule shall be made to him by making a deduction in arriving at the amount of his chargeable income for the year of assessment for which such allowance falls to be made under the provisions of this Schedule. Where such deduction creates or adds to a loss in the basis year, the loss or increased loss shall be the loss falling within section 15 of this Act .

SIXTH SCHEDULE

INCOME AND BUSINESS TAX ACT
 Petroleum Operations Expenditures
[Sections 98 (10) and 102 (5)]

ARRANGEMENT OF EXPENDITURES

1. General petroleum operations expenditure costs.
2. Capital petroleum operations expenditure costs
3. Depreciation amortization.
4. General exclusions

General petroleum operations expenditure.

1.–(1) Petroleum Operations Expenditures shall be calculated and accounted for in a manner consistent with the following principles and definitions and shall include all reasonable and necessary expenses for the conduct of Petroleum Operations, including but not limited to,

(2) Cost of hiring sub-contractors and of salaries and wages of the contractor's employees directly engaged in petroleum operations, including costs of holidays, vacations, sickness, living and housing allowances, travel time, bonuses and other established plans for employee benefits customarily granted to the Contractor's employees and their families in similar ventures.

(3) Costs of material, equipment, machines, tools and any other goods of a similar nature used or consumed in petroleum operations subject to the following,

- (a) acquisition - the Contractor shall only supply or purchase materials for use in Petroleum Operations that may be used in the foreseeable future. The accumulation of surplus stocks and inventory shall be avoided. Inventory levels shall, however, take into

account the time lag for replacement, emergency needs and similar considerations;

- (b) components of costs - costs of materials purchased by the Contractor for use in Petroleum Operations may include, in addition to the invoice price (subtracting the discounts given, if any), freight costs and costs of transportation between the supply point and delivery point (provided that such costs are not included in the invoice price, inspection costs, insurance, custom duties, taxes and other items that may be charged to imported materials or to materials purchased in Belize);
- (c) accounting - such materials costs shall be charged to the accounting records and books based on the “First-in First-out” (FIFO) method;
- (d) supply of materials by Affiliated Companies - materials supplied by the Contractor’s Affiliated Companies shall be charged to the accounting records and books at prices no higher than the prices for comparable material purchased on a competitive basis from third party suppliers. This criterion shall apply to both new and used materials;
- (e) inventories - the Contractor shall maintain both a physical and accounting inventory of all materials in stock in accordance with generally accepted practices in the international petroleum industry. The Contractor shall make a physical inventory of all such materials at least twice yearly. The costs of non-capital items purchased for inventory shall be charged to operating expenditure when issued from stock for consumption.

(4) The value of technical services costs relating to petroleum operations shall be,

- (a) in the case of technical services performed by third parties directly sub-contracted, including outside consultants, contractors and utilities, the price paid by the Contractor, provided that such prices are no higher than the prices charged by other suppliers for comparable work and services; and
 - (b) in the case of technical services performed by the Contractor or its Affiliated Companies, prices which are no higher than the most favourable prices charged to third parties for comparable services.
- (5) The value of insurance relating to Petroleum Operations shall be,
- (a) in the case of insurance purchased from third parties, the price paid by the Contractor, provided that such price is no higher than the price charged by other insurers for comparable insurance;
 - (b) in the case of insurance purchased from an Affiliated Company, the price shall be no higher than the most favourable price charged to third parties for comparable insurance.

The proceeds of any insurance or claim shall be credited against Petroleum Operations Expenditures. Except in cases where insurance coverage is required pursuant to its contract with the Government, if no insurance is carried for a particular risk, all costs incurred by the Contractor in settlement of any related loss, claim, damage or judgment, including legal services, shall be includable in Petroleum Operations Expenditures provided that such costs did not result from the Contractor's gross negligence.

(6) Costs and expenses of litigation and legal or related services necessary or expedient for the protection of the area covered by a Contractor's contract with the Government. Any damages or compensation received shall be credited against Petroleum Operations Expenditures. The Contractor's costs incurred in arbitrating a dispute

with the Government relating to its contract shall not be included in Petroleum Operations Expenditures.

(7) So much of the expenditure in the nature of general services and administration costs, other than direct costs, as is not in excess of three *per cent* and (3%) of total petroleum operating expenditure, including, but not limited to,

- (a) the Contractor's personnel and services costs outside of Belize relating to administration, legal, accounting, treasury, auditing, taxation, planning, employee relations, purchasing and other functions related to petroleum operations under its Agreement; and
- (b) reasonable and necessary travel expenses of the Contractor's personnel in the general and administrative categories listed in (a) above for the purpose of inspections and supervision of petroleum operations in Belize shall be allocable to petroleum operations Expenditures according to methods agreed to by the Contractor and the Government.

(8) Interest, fees, duties, taxes and other financial charges relating to loans and credits obtained by the Contractor to acquire funds for the execution of its obligations under this Agreement at rates not exceeding the prevailing commercial rates or in the aggregate not exceeding twenty-five *per cent* (25%) may be charged to Petroleum Operations Expenditures.

(9) Staffing and maintenance of the Contractor's head office in Belize and other offices in Belize, including rent, telephone, telex and radio expenses, as well as the expenses of general facilities such as shore bases, warehouses, water, power and communication systems, roads and bridges.

(10) All payments to the Government or any local authority, including but not limited to surface rentals, fees, taxes, imposts, dues and levies, but excluding tax and royalty.

Capital petroleum operations expenditure costs.

2.-(1) Petroleum Operations Expenditures consist of capital and operating expenditures.

(2) Capital Expenditures are those Petroleum Operations Expenditures for assets that normally have a useful life which extends beyond the year in which the asset was acquired.

In addition to expenditures relating to assets that normally have a useful life beyond the year in which the asset was acquired, the costs of development operations, as described in paragraph (e) below, and signature and production bonuses as listed in (f) below, will be classified as capital expenditures.

Capital expenditures include, but are not limited to, the following,

- (a) *construction utilities and auxiliaries* - workshops, power and water facilities, warehouses, and field roads, cost of crude oil treating plants and equipment, secondary recovery systems, natural gas plants and steam systems;
- (b) *construction housing and welfare housing* - recreational facilities and other tangible property incidental to construction;
- (c) *production facilities* - production rigs (including the costs of labour, fuel, hauling and supplies for both the offsite fabrication and onsite installation of rigs, and other construction costs in erecting rigs and installing pipelines), well-head equipment, sub-surface lifting equipment, production tubing, sucker rods, surface pumps, flow lines, gathering equipment, delivery lines and storage facilities;
- (d) *movables* - surface and sub-surface drilling and production tools, equipment and instruments, barges, floating craft, automotive equipment, aircraft, construction equipment, furniture and office equipment and miscellaneous equipment;

- (e) *development and production drilling* - labor, materials and services used in drilling wells with the object of penetrating a proven reservoir, including the drilling of delineation wells as well as re-drilling, deepening or re-completing wells, and access roads, if any, leading directly to wells;
- (f) signature and production bonuses.

(3) Operating Expenditures are all Petroleum Operations Expenditures other than capital expenditures, including but not limited to,

- (a) exploration drilling - labor, materials and services used in the drilling wells with the object of finding unproven reservoirs of crude oil and natural gas, and access roads, if any, leading directly to wells;
- (b) surveys - labor, materials and services used in aerial, geological, topographical, geophysical and seismic surveys, and Core hold drilling; and
- (c) other exploration expenditures - auxiliary or temporary facilities having lives of one year or less used in exploration and purchased geological and geophysical information.

3.–(1) Capital expenditures, as defined in paragraph 1, shall be depreciated or amortized for the purpose of the calculation of tax. For the purpose of determining the amount of depreciation or amortization which is allowable as a deduction in each calendar year, the following principles shall apply.

Depreciation
amortization.

(2) Capital expenditures will be depreciated or amortized using the straight line method over five (5) years.

(3) A full year's depreciation or amortization may be taken in the first Calendar Year in which such depreciation or amortization is allowable.

(4) Deductions with respect to depreciation or amortization of capital expenditures incurred shall be allowable commencing with (A) the Basis Year in which the capital asset is placed into service, or, if the capital expenditure does not relate to an asset that normally has a useful life beyond the year in which it is placed in service, the Calendar Year in which the capital expenditure is incurred, or (B) the Calendar Year in which Initial Commercial Production first occurs, whichever is later.

General exclusions.

4. The following expenditures shall not be included in Petroleum Operations Expenditures,

- (a) costs and expenses incurred at any time prior to the effective date of the Contractor's contract with the Government, unless expressly permitted in such contract;
- (b) costs relating to Petroleum marketing or transportation beyond the Delivery Point;
- (c) contributions and donations, except those approved by the Government;
- (d) gifts or rebates to suppliers, and gifts or commissions to intermediaries arranging service or supply contracts;
- (e) any fines, monetary corrections or increases in expenses resulting from the Contractor's failure to comply with the obligations under its contract with the Government, or applicable law; and
- (f) any other expenditures not directly related to Petroleum Operations or not in compliance with the provisions of this Sixth Schedule.

SEVENTH SCHEDULE

INCOME AND BUSINESS TAX ACT

Export Allowance

[Section 14]

1. An export allowance for the purpose of subsection (1) of section 14 of this Act, shall not exceed the percentage (being percentage of the whole of the tax liability on the entire export profits) specified in the table below opposite the percentage of export profits,

*Amount of Export Profits
Maximum Percentage of
Expressed as a Percentage
Tax Relief
of the Entire Profits*

10% or more but less than 21 %	25%
21 % or more but less than 41 %	35%
41 % or more but less than 61 %	45%
61 % or more	50%

2. The following formula shall be used to ascertain export profits for the purpose of this section,

$$\frac{E \times P}{S}$$

where “E” represents the proceeds from export sales for the year;
and “P” represents the profits made by the enterprise from all sales for the year;
and “S” represents the proceeds of all sales for the year.

EIGHTH SCHEDULE

INCOME AND BUSINESS TAX ACT

Taxed Businesses and Professions

[Sections 105(1)(3)]

1. Accountants
2. Architects
3. Attorneys-at-Law
4. Auctioneers
5. Building Contractors
6. Consultants
7. Customs Brokers
8. Dentists
9. Engineers
10. Insurance Brokers and Underwriters
11. Mechanics
12. Medical Practitioners
13. Moneylenders
14. Ophthalmologists
15. Opticians
16. Optometrists
17. Shipping Agents
18. Surveyors
19. Tour Operators
20. Travel Agents
21. Veterinarians

NINTH SCHEDULE³

INCOME AND BUSINESS TAX ACT

Rates of Tax

[Sections 111 (3) and 113 (2)]

(a)	Receipts from radio, on-air television and newspaper business.....	0.75%	
(b)	Receipts from domestic airline business.....	1.75%	
(c)	(i) Receipts of service stations from the sale of fuel.....	0.75%	14 of 2005.
	(ii) Receipts from service stations from the sale of all other items	1.75%	
(d)	Receipts from other trade or business.....	1.75%	7 of 1999.
(e)	Rents, royalties, premiums and any other receipts from real property(excluding the receipts from Real Estate Business).....	3%	3 of 2004.
(f)	Receipts from a profession, vocation occupation.....	6%	7 of 1999.
(g)	Receipts of an insurance company licensed under the Insurance Act.....	1.75%	11 of 2004.
(h)	Commissions, royalties, discounts, dividends, winnings from lotteries, slot machines and table games.....	15%	3 of 2004. 7 of 1999.

³This Schedule was substituted by Act No. 16 of 2008 and amended by Acts No. 6 of 2009 and No. 13 of 2010.

- 7 of 1999. Provided that in the case of commissions of less than \$25,000.00 per annum, the rate shall be5%
- (i) Interest on loans paid to non-residents15%
- 7 of 1999. (j) Receipts of a financial institution licensed under the Banks and Financial Institutions Act Cap. 263.....15%
- Provided that in the case of a financial institution which falls within a “PIC Group” as defined in the International Business Companies Act, Cap 270, the rate shall be.....12%
- S.I. 142 of 2002 Provided further that in the case of a unit trust governed by the Banks and Financial Institutions (Unit Trust) Regulations, the rate shall be.....6%
- (k) Management fees, rental of plant and equipment and charges for technical services,
- (i) if paid to a non-resident.....25%
- (ii) if paid to a residentthe rate applicable to the particular trade, business, profession, vocation or occupation of the payee.
- 30 of 2010. (l) Receipts of entities licenced to provide telecommunication services that offer real time voice services.....19.5%
- 6 of 2009. (m) Gross earnings of casinos or licenced gaming premises or premises where the number of gaming machines is more than 50.....8%

- (n) Gross earnings from real estate business as follows,
 - (i) Real estate brokers and agents, earning commission.....15%
 - (ii) Real estate sales, developers, condominium owners and fractional interests1.75%
 - (iii) Long Term Leases.....1.75%
 - (iv) Time Share Operators.....1.75%
 - (v) Share Transfer Sales.....1.75%

- (o) Receipts of entities providing electricity supply services.....6.5%

13 of 2010.

TENTH SCHEDULE⁴

INCOME AND BUSINESS TAX ACT

Rates of Petroleum Surcharge

Crude Oil Prices

[Section 124]

PRICE OF CRUDE OIL		SURCHARGE
FROM	TO	PERCENTAGE
[US\$/BBL]	[US\$/BBL]	(%)
0.00	100.00	0
100.01	105.00	15
105.01	110.00	17
110.01	115.00	19
115.01	120.00	21
120.01	125.00	23
125.01	130.00	25
130.01	135.00	27
135.01	140.00	29
140.01	145.00	31
145.01	150.00	33
150.01	155.00	35
155.01	160.00	37
160.01	165.00	39
165.01	170.00	41
170.01	175.00	43
175.01	180.00	45
180.01	185.00	47
185.01	190.00	49
190.01	and higher	50

⁴This Schedule was inserted by Act No. 12 of 2008.