



AN BILLE CÁNACH IONCAIM (LEASÚ), 1986
INCOME TAX (AMENDMENT) BILL, 1986

Explanatory Memorandum

Section 1 amends the Income Tax Act, 1967 by substituting a new section for the existing section 110 of that Act. The new section re-enacts the original with the following words omitted—

“after deducting the amount of duties or other sums payable or chargeable on the same by virtue of any statute, where the same have been really and *bona fide* paid and borne by the party to be charged.”.

It has been claimed that the words now being deleted give sanction to the deduction of certain levies in computing chargeable income for income tax purposes. The levies in question are—

the health contribution under the Health Contributions Act, 1979,

the Youth Employment Levy under the Youth Employment Agency Act, 1981, and

the income levy under section 16 of the Finance Act, 1983.

The provision being deleted was intended to provide deductions for contributions payable out of emoluments under certain statutory superannuation schemes. These contributions are now catered for under section 17 of the Finance Act, 1972 which came into operation on 6 April, 1973.

It was never intended that section 110 would authorise deductions in computing income for tax purposes in respect of these levies.

Section 2 contains provisions relating to short title and construction.

An Roinn Airgeadais
Nollaig, 1986.

AN BILL (LAW) NO. 11 OF 1986
INCOME TAX (AMENDMENT) BILL, 1986

Explanatory Memorandum

Section 1 amends the Income Tax Act, 1961 by substituting new section for the existing section 110 of that Act. The new section re-enacts the original with the following words omitted:-

"after deducting the amount of duties or other sums payable or chargeable on the same by virtue of any statute, where the same have been really and bona fide paid and borne by the party to be charged."

It has been claimed that the words now being deleted give sanction to the deduction of certain levies in computing charitable income for income tax purposes. The levies in question are:-

the health contribution under the Health Contributions Act, 1979;

the Youth Employment Levy under the Youth Employment Agency Act, 1981; and

the income levy under section 10 of the Finance Act, 1983.

The provision being deleted was intended to provide deductions for contributions payable out of emoluments under certain statutory superannuation schemes. These contributions are now catered for under section 17 of the Finance Act, 1973 which came into operation on 1 April, 1973.

It was never intended that section 110 would authorise deductions in computing income for tax purposes in respect of these levies.

Section 2 contains provisions relating to short title and construction.

An Ravi Agarwal
Noting, 1986