

L.N. 110 of 2005

**INCOME TAX ACT
(CAP. 123)**

Tax Credit (Women Returning to Employment) Rules, 2005

IN exercise of the powers conferred by article 96 of the Income Tax Act, the Prime Minister and Minister of Finance has made the following rules:-

1. (1) The title of these rules is the Tax Credit (Women Returning to Employment) Rules, 2005. Citation and commencement

(2) These rules shall be deemed to have come into force as from the year of assessment 2006.

2. These rules apply to women, who have not attained the statutory retirement age and who return to employment on or after the 1st of January 2005 after having been absent from any gainful occupation for at least five years immediately preceding the date of the said return to employment and who have never been, prior to the date of the said return to employment, in receipt of a pension in view of past employment and who, moreover, had previously been in employment for at least twenty four consecutive months. Applicability

3. (1) (a) Subject to the provisions of rule 4 hereof, any woman to whom rule 2 hereof applies, including a married woman who, or whose spouse has, opted for a separate computation for the purposes of article 50 of the Act, and who is chargeable to tax at the rates specified in article 56(1)(b) of the Act, shall benefit from a tax credit of seven hundred liri which shall be set-off against the tax in respect of gains or profits from the said employment. Tax credit

(b) The tax credit as aforesaid may only be set-off against the tax on employment income referred to in rule 2 hereof but may be availed of over a period of two consecutive years of assessment commencing from the year of assessment during which the return to employment occurs. It shall not be available as a set-off against the woman's other sources of income, if any, or against her spouse's income.

(c) The income in respect of which a tax credit is granted under these rules shall be deemed to constitute the first part of that woman's total income for the relative year of assessment.

(2) (a) Subject to the provisions of rule 4 hereof, any woman to whom rule 2 hereof applies and who is chargeable to tax jointly with her husband at the rates specified in article 56(1)(a) of the Act, shall benefit from a tax credit of seven hundred liri which shall be set-off against the tax on the total income of the married couple.

(b) The tax credit as aforesaid may be availed of over a period of two consecutive years of assessment commencing from the year of assessment during which the return to employment occurs.

(c) The income in respect of which a tax credit is granted under these rules shall be deemed to constitute the last part of that married couple's total income for the relative year of assessment.

Non-applicability

4. A woman shall not qualify under the provisions of these rules where the return to employment referred to in rule 2 hereof is with an employer who is the woman's spouse, her or her spouse's ascendant or descendant in the direct line, her adoptive child, the spouse of any such ascendant, descendant or adoptive child, her or her spouse's brother or sister or their spouses, or where the said employer is a company in which the woman or any of the aforementioned persons is directly or indirectly a shareholder.