L.N. 430 of 2010

INCOME TAX ACT
(CAP. 123)

Deduction (Childcare Facilities at the Workplace) Rules, 2010

IN exercise of the powers conferred by articles 14(2) and 96 of the Income Tax Act, hereinafter referred to as "the Act", the Minister of Finance, the Economy and Investment has made the following rules:

Title and commencement.

1. (1) The title of these rules is the Deduction (Childcare Facilities at the Workplace) Rules, 2010.

(2) These rules shall come into force as from the year of assessment 2011, in respect of expenditure incurred as from 1st January 2010.

Definitions.

2. In these rules, unless the context otherwise requires –

"qualifying expenditure" means expenditure of a capital nature consisting of:

(a) the construction of a childcare facility at the workplace or the conversion of an existing structure at the workplace into a childcare facility; and

(b) the acquisition of childcare equipment for use in a childcare facility at the workplace; and

"qualifying person" means a person who is an employer and who incurs qualifying expenditure for the purpose of creating a working environment where childcare services are provided for his employees' children.

Deductions.

3. (1) Where a qualifying person incurs qualifying expenditure in the year preceding the year of assessment, a deduction equivalent to 100% of the cost incurred shall be allowed against the said person's income charged to tax for such year of assessment;

(2) The total deduction claimed under these rules as aforesaid shall not exceed twenty thousand euro (€20,000):

Provided that, to the extent that the deduction cannot be wholly set off against the income of the qualifying person for the year during which the expenditure was incurred, it shall be carried forward and set off against the income for subsequent years in succession:

Provided further that, where the qualifying person is an individual, to the extent that the deduction cannot be wholly set off against the income of the individual or of his spouse, where applicable, for the aforesaid year, it shall be carried forward and set off against the income for subsequent years in succession.

(3) The deduction shall only be allowed where the qualifying person does not benefit from any other form of assistance in relation to the said expenditure from the Government of Malta or from any Government entity.

Documentation.

4. No deduction shall be allowed unless the qualifying person claiming such deduction submits to the Commissioner, together with the income tax return for the year, details relating to the qualifying expenditure incurred to such extent and in such manner as the Commissioner may require.

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