I assent.

(L.S.)

ĊENSU TABONE
President

21st July, 1989

ACT No. XIX of 1989

AN ACT to amend the Income Tax Act (Cap. 123)

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title and commencement.

1. (1) This Act may be cited as the Income Tax (Amendment) Act, 1989, and shall be read and construed as one with the Income Tax Act (Cap. 123), hereinafter referred to as "the principal Act".

(2) The provisions of this Act shall come into force as ollows:

(a) the provisions of this Act, other than section 3 and paragraph (c) of section 5, shall come into force upon the publication of this Act in the Gazette;

(b) the provisions of section 3 and of paragraph (c) of section 5 shall come into force as from the first day of January 1990 in respect of the year of assessment commencing on that date and of subsequent years of assessment.

Amendment of section 4 of the principal Act.

2. Section 4 of the principal Act shall be amended as follows:

(a) for paragraph (a) of subsection (4A) thereof, there shall be substituted the following:

"(a) The Commissioner shall submit to the Speaker of the House of Representatives a certified statement showing the details of income and capital assets declared by each Member of the House for the purpose of this Act from the year of assessment in which such Member first became a Member of the House and for every subsequent year of

assessment up to and including the year of assessment following the year in which such Member ceases to be a Member of the House:

Provided that if a Member having ceased to be a Member of the House as aforesaid again becomes a Member of the House, the Commissioner shall also submit to the Speaker the details of the income and capital assests in respect of the period covering the years when such Member ceased to be a Member until he again becomes a Member of the House.";

(b) for paragraph (b) of subsection (4A) thereof, there shall be substituted the following:

"(b) The Speaker of the House of Representatives shall, upon a request in writing by any Member of the House or by the Editor responsible for any newspaper registered under the Press Act, 1974, furnish such Member or Editor with the details of income and capital assets in respect of any year of assessment declared by any Member of the House for the purposes of this Act, provided that the details of income and capital assets so requested have been made available to the Speaker under the provisions of paragraph (a) of this subsection and that prior to giving such information the Speaker shall notify such Member whose details of income and capital assets are being requested, with a copy of such request and of the reply being given."; and

(c) subsection (7) thereof shall be repealed.

Amendment of section 5 of the principal Act.

3. Paragraph (c) of subsection (1) of section 5 of the principal Act shall be repealed.

Amendment of section 11 of the principal Act.

4. For paragraph (b) of subsection (1) of section 11 of the principal Act, there shall be substituted the following:

"(b) the allowances and benefits as may be specified by the Minister responsible for finance by notice published in the Gazette and which are payable under the Social Security Act, 1987, or in consequence of any measure announced in the annual Budget Speech.".

Amendment of section 28 of the principal Act.

5. Section 28 of the principal Act shall be amended as follows:

(a) in subparagraph (v) of paragraph (b) of subsection (1) thereof for the words "of Part IV of the National Insurance Act" there shall be substituted the words "of sections 83 and 84 of the Social Security Act, 1987";

(b) in the proviso to paragraph (d) of subsection (1) thereof, and in the marginal note to that paragraph, for the words "the National Insurance Act" and "National Insurance", there shall be substituted the words "the Social Security Act" and "Social Security" respectively; and

(c) immediately after subsection (13) thereof, there shall be added the following new subsection:

"Donations to philanthropic institutions.

(14) In the case of an individual resident in Malta in the year immediately preceding the year of assessment, who proves to the satisfaction of the Commissioner by appropriate receipts that in the year immediately preceding the year of assessment he has donated money to such philanthropic institutions as may be approved by the Commissioner, by notice published in the Gazette, there shall be allowed a deduction equivalent to the amount of the donation subject to a maximum deduction of three hundred liri.".

Amendment of section 31 of the principal Act.

6. Section 31 of the principal Act shall be amended as follows:

(a) in subsection (9) thereof —

(i) For paragraph (a) thereof there shall be substituted the following:

"(a) makes default in furnishing a return in respect of the year of assessment commencing on the first day of January 1949 or any subsequent year of assessment, shall be chargeable for such year of assessment with a tax of treble the amount of tax for which he is liable for that year under the other subsections of this section or with such lesser amount of tax as may be determined by the Commissioner but which shall in no case be less than ten liri or one-half per cent of the said amount of tax for which he is liable whichever is the greater; or";

(ii) in the second proviso thereto, for the words "whichever is the greater; and" there shall be substituted the words "whichever is the greater:";

(iii) immediately after the second proviso there shall be added the following new proviso:

"Provided also that where the Commissioner has sent to any person a notice referred to in subsection (3) of section 45 of this Act, such person shall be required to pay, in respect of each such notice, an additional tax as may be specified in such notice for the year of assessment in respect of which the default has occurred but which shall in no case exceed ten liri. The Commissioner may only remit this additional tax where he is satisfied that owing to absence from Malta, sickness or other reasonable cause such person was prevented from submitting a return in accordance with the provisions of section 43 or 44 of this Act."; and

(b) in subsection (14) thereof —

(i) for the words "excluding however any service on board a Maltese ship or aircraft" there shall be substituted the words "excluding however any service on board a ship, aircraft or road vehicle owned, chartered or leased by a Maltese company"; and

(ii) in paragraph (d) thereof, for the words "the National Insurance Act" and "of National Insurance" there

shall be substituted the words "the Social Security Act" and "of Social Security" respectively.

Amendment of section 37 of the principal Act.

7. Immediately after subsection (2) of section 37 of the principal Act, there shall be added the following new subsection:

"(3) The liquidator of a company which is being wound up shall not distribute any of the assets of the company to its shareholders unless he has made provision, in so far as he is able to do so out of the assets of the company, for the payment in full of any tax which he knows of or might reasonably expect to be payable by the company under this Act and in default, such liquidator shall be liable personally, and jointly and severally with any other person responsible therefor, for payment of the tax due.".

Amendment of section 45 of the principal Act.

8. For subsection (3) of section 45 of the principal Act, there shall be substituted the following:

"(3) The Commissioner shall, every year, send to every person who has failed to submit a return in accordance with the provisions of section 43 or 44 of this Act one or more notices, as may be necessary, referring to such failure and informing him that for such failure he has furthermore incurred a charge to additional tax for each such notice as provided under the provisions of the third proviso to subsection (9) of section 31 of this Act.".

Amendment of section 55 of the principal Act.

9. In subsection (8) of section 55 of the principal Act, for the words "of the Director of Social Services for any amounts due by way of contribution under section 102 of the National Insurance Act," there shall be substituted the words "of the Director of Social Security for any amounts due by way of contribution under section 119 of the Social Security Act,".

Passed by the House of Representatives at Sitting No. 260 of the 12th July, 1989.

LAWRENCE GONZI
Speaker

P. MUSCAT TERRIBLE
Clerk to the House of Representatives

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