



ANALYSIS

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1969, No. 7

An Act to amend the Income Tax Act 1968-69

(9 October 1969)

BE IT ENACTED by the Legislative Assembly of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1. Short Title - This Act may be cited as the Income Tax Amendment Act 1969, and shall be read together with and deemed part of the Income Tax Act 1968-69.

2. Application - This Act shall apply with respect to the tax for the year of assessment commencing on the first day of April, nineteen hundred and sixty-nine.

3. Deduction for depreciation - The principal Act is hereby amended by omitting the first proviso of subsection (1) of section 70 and substituting the following proviso:

"Provided that in cases where depreciation of any asset, whether caused by fair wear and tear or by the fact of such asset becoming obsolete or useless, cannot be made good by repair, the Collector may allow such deduction as he thinks just."

4. Basic rates of income tax - (1) The principal Act is hereby further amended by omitting paragraph (b), f subclause (1) of clause 4 of Part A of the First Schedule and substituting the following paragraph:

"(b) In the case of a company that is not deemed to be resident in the Cook Islands within the meaning of Part V of this Act, be ascertained by calculating tax on that income in accordance with the rate of tax specified in Part D of this Schedule and dividing the tax so calculated by the number of dollars included in that income."

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(2) The principal Act is hereby further amended by inserting after Part C of the First Schedule the following new Part:

"Part D

Rates referred to in paragraph (b) of subclause (1) of Clause 4 of Part A.

1. Where the income does not exceed \$5,000 the rate of tax for every \$1 shall be 27½c.
2. Where the income does not exceed \$10,000 the rate of tax for every \$1 shall be 37½c.
3. Where the income exceeds \$10,000, the rate of tax for every \$1 shall be 45c."

5. Consequential amendments - The principal Act is hereby further amended -

- (a) By repealing the Second Schedule and omitting the words "Third Schedule" and substituting the words "Second Schedule";
- (b) By inserting the words "paragraph (a) of" before the words subclause (1)" in the heading of Part B of the First Schedule.

This Act is administered in the Inland Revenue Department