



ANALYSIS

- | | |
|---|-------------------------------------|
| <p>Title</p> <p>1. Short title and commencement</p> <p>2. 100% depreciation rate for new property</p> | <p>3. Amount of provisional tax</p> |
|---|-------------------------------------|
-

An Act to amend the Income Tax Act 1997

(10 October 2005)

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

1. Short title and commencement – (1) This Act may be cited as the Income Tax Amendment Act 2005 and shall be read together with and deemed part of the Income Tax Act 1997 (“the principal Act”).

(2) This Act shall come into force on 1 January 2006.

2. 100% depreciation rate for new property - Section 45(2) of the principal Act is amended by -

- (a) adding at the end of paragraph (b)(ii) the text “; or”; and
 (b) adding after paragraph (b) the following new paragraphs:

- “(c) acquired after 31 December 2005 and principally used or based in the island of Rarotonga; or
 (d) acquired after 31 December 2010.”

3. Amount of provisional tax - Section 175(3) of the principal Act is amended by inserting after the words “first mentioned income year.” the following proviso -

“Provided that where the income tax assessable, after deducting from that amount the amount (if any) of any tax deductions or withholding tax made from any source deduction payments or withholding income included in the income derived in relation to the first mentioned income year does not exceed \$20,000, the expression “base year” means the first mentioned income year.”

This Act is administered by the Ministry of Finance and Economic Management