



**SUPPLEMENT No. 2**

TO

THE CYPRUS GAZETTE No. 2975 OF 29TH JANUARY, 1942.

LEGISLATION.

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**THE STATUTE LAWS OF CYPRUS**

**No. 1 OF 1942.**

A LAW TO AMEND THE INCOME TAX LAW, 1941.

C. C. WOOLLEY,]

[28th January, 1942.

*Governor.*

**B**E it enacted by His Excellency the Governor and  
Commander-in-Chief of the Colony of Cyprus as  
follows :—

1. This Law may be cited as the Income Tax (Amend- Short title.  
ment) Law, 1942, and shall be read as one with the Income  
Tax Law, 1941, (hereinafter referred to as "the principal 6 of 1941.  
Law"), and the principal Law and this Law may together  
be cited as the Income Tax Laws, 1941 and 1942.

Amendment  
of section 8  
of the  
principal  
Law.

2. Section 8 of the principal Law is hereby amended as follows:—

- (a) by the deletion of the colon at the end of paragraph (k) and the substitution therefor of a semi-colon;
- (b) by the addition after paragraph (k) of the following paragraph:—

“(l) capital sums accruing to individuals from any payments which are allowable deductions under section 13B of this Law:”

Repeal of  
section 11 of  
the principal  
Law and  
substitution  
of a new  
section in  
place thereof.

3. Section 11 of the principal Law is hereby repealed and the following section substituted therefor:—

“ Allowance  
for wear  
and tear and  
expenditure  
on shaft  
sinking.

11. In ascertaining the chargeable income of any person engaged in a trade, business, profession or vocation, there shall be allowed:

- (a) a deduction of a reasonable amount for the exhaustion and wear and tear of any plant and machinery, and any buildings including employees' dwellings, arising out of the use and employment of such property in the trade, business, profession or vocation during the year immediately preceding the year of assessment;
- (b) in the case of mines a deduction for actual expenditure on shaft sinking and cognate operations which has been capitalized:

Provided that—

- (i) the deduction shall be computed for each separate mine,
- (ii) the Commissioner is satisfied that the total amount of deduction for each mine is spread over the whole period of the life of the mine in a reasonable manner having regard to variations in productivity,
- (iii) that the provisions of this paragraph shall not come into operation until the year of assessment 1943.”

4. Paragraph (k) of section 12 of the principal Law is hereby amended by the insertion after the word "nature" of the words "except such payments as are allowed under section 13B of this Law".

Amendment of section 12 of the principal Law.

5. The principal Law is hereby amended by the insertion after section 13 of the following sections:—

Insertion of new sections 13A and 13B in the principal Law.

"Deduction for children.

13A.—(1) In ascertaining the chargeable income of any individual who proves to the satisfaction of the Commissioner that he had living, at any time during the year immediately preceding the year of assessment, an unmarried child who at the commencement of that year was either under the age of sixteen or who was receiving full time instruction at any university, college, school or other educational establishment, there shall be allowed a deduction of twenty-five pounds in respect of each such child:

Provided that—

- (a) no deduction shall be allowed in respect of any child whose chargeable income for the year immediately preceding the year of assessment exceeded the amount of the deduction which would otherwise be allowed under this section;
- (b) in calculating the chargeable income of the child for the purpose of paragraph (a) of this proviso no account shall be taken of any income to which the child is entitled as the holder of a scholarship, bursary or other similar educational endowment;
- (c) no deduction under this section shall be allowed to any individual in respect of more than three children.

(2) The expression "child" in this section includes a step child but does not include an adopted or illegitimate child.

13B. In ascertaining the chargeable income of any individual who—

- (a) shall have made insurance on his life or the life of his wife with any insurance company; or

Deduction in respect of life insurance and contributions to Pensions and other Funds.

(b) shall have made a contribution under a Widows' and Orphans' Pensions Fund or scheme in any Colony ; or

(c) shall have made a contribution to a pensions, provident or other society or fund which may be approved by the Commissioner subject to such conditions as he may determine,

there shall be allowed a deduction of the annual amount of the premium paid by him for such insurance or contribution as aforesaid :

Provided—

(a) that in the case of any policy securing a capital sum on death (whether in conjunction with any other benefit or not) the amount of the deduction allowed shall not exceed seven per centum of that capital sum, exclusive of any additional benefit by way of bonus or otherwise ;

(b) that no such deduction shall be allowed in respect of any such annual amount of premium or contribution beyond an amount equal to one-sixth part of the chargeable income of such person estimated in accordance with the provisions of this Law before making the deductions specified in this section and in section 13A of this Law."

Amendment  
of section  
29 of the  
principal  
Law.

6. Section 29 of the principal Law is hereby amended as follows :—

(a) by the addition at the end of sub-section (1) of the following proviso :—

"Provided that it shall not be necessary for any person to give such notice if, in the year immediately preceding the year of assessment, he rendered a return of income under sub-section (2) of this section."

(b) by the addition at the end of sub-section (3) of the following proviso :—

"Provided that it shall not be necessary for any employer who rendered, in the year immediately preceding the year of assessment, a return under sub-section (4) of this section to comply with the provisions of this sub-section."

7. The Schedule to the principal Law is hereby repealed and the Schedule to this Law substituted therefor.

Repeal of Schedule to the principal Law and substitution of new Schedule therefor.

8. This Law shall be deemed to have come into operation on the 1st day of January, 1942.

Date of commencement.

SCHEDULE.

(Section 18.)

SCALE OF RATES OF INCOME TAX PAYABLE ON CHARGEABLE INCOME.

1.—(a) In the case of individuals—

Category within which the chargeable income falls	Chargeable income		Tax payable
	in excess of	but not exceeding	
	£	£	£ s. p.
(1) ..	1	150	Nil
(2) ..	150	175	1 0 0
(3) ..	175	200	1 10 0
(4) ..	200	250	3 0 0
(5) ..	250	300	5 10 0
(6) ..	300	350	8 0 0
(7) ..	350	400	11 0 0
(8) ..	400	450	14 0 0
(9) ..	450	500	17 0 0
(10) ..	500	550	20 10 0
(11) ..	550	600	24 0 0
(12) ..	600	650	27 10 0
(13) ..	650	700	31 0 0
(14) ..	700	750	35 0 0
(15) ..	750	800	39 0 0
(16) ..	800	850	43 0 0
(17) ..	850	900	47 10 0
(18) ..	900	950	52 10 0
(19) ..	950	1,000	57 10 0
(20) ..	1,000	1,100	67 10 0
(21) ..	1,100	1,200	77 10 0
(22) ..	1,200	1,300	90 0 0
(23) ..	1,300	1,400	102 10 0
(24) ..	1,400	1,500	115 0 0
(25) ..	1,500	1,600	137 10 0
(26) ..	1,600	1,700	162 10 0
(27) ..	1,700	1,800	187 10 0
(28) ..	1,800	1,900	215 0 0
(29) ..	1,900	2,000	250 0 0

<i>For the remainder of the chargeable income—</i>	<i>Rate of Tax</i>
on every pound in excess of £2,000 but not exceeding £2,500 ..	6 shillings
on every pound in excess of £2,500 but not exceeding £3,000 ..	7 shillings
on every pound in excess of £3,000 but not exceeding £3,500 ..	8 shillings
on every pound in excess of £3,500 but not exceeding £4,000 ..	9 shillings
on every pound in excess of £4,000 but not exceeding £5,000 ..	10 shillings
on every pound in excess of £5,000 ..	12 shillings

(b) The amount of tax payable in respect of a chargeable income falling within any category shall not exceed the amount of tax which is payable in respect of a chargeable income falling within the next preceding category plus the amount by which the chargeable income exceeds the highest chargeable income which falls within the next preceding category.

(c) The amount of tax payable by a bachelor or a spinster shall be increased by 50 per centum, but such increase shall not exceed £250 in any one year.

2. In the case of companies and all other bodies corporate or unincorporate four shillings and four and one half piastres on every pound of chargeable income.

J. V. W. SHAW,

28th January, 1942.

*Colonial Secretary.*