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(Registered on the Records on the 23rd August, 1941).

THIS 18th day of August, 1941.

AN ACT OF PROMULGATION OF LAW

BY

VICTOR GOSSELIN CAREY,

British Civil Lieutenant-Governor of the Island of Guernsey.

In exercise of the power conferred on him by an Order of the Commandant of the German Forces in occupation of the Bailiwick of Guernsey, dated the 2nd day of July, 1940.

The Income
Tax (Amend-
ment) Law,
1941.

WHEREAS on the 12th day of July, 1941, the Court adopted a measure which forms the basis of the "Projet de Loi" hereunder appearing, the said measure being designed to facilitate the administration of the Income Tax Laws by providing a new basis of assessment to Income Tax for the year of assessment, 1941 and each subsequent year of assessment while the present Law remains in force for the reasons set forth in the preamble of the said "Projet de Loi";

AND WHEREAS the said measure was duly submitted to the States of Deliberation on the 18th day of August, 1941, when it was passed as a "Projet de Loi";

AND WHEREAS the said "Projet de Loi" having received the sanction of the British Civil Lieutenant-Governor was submitted to the German Feldkommandant who thereupon accorded his approval thereof;

NOW the Lieutenant-Governor aforesaid promulgates the said "Projet de Loi" to the intent that the same shall have the force of Law within this Island, of which "Projet" the tenor followeth:—

* PROJET DE LOI INTITULÉ "LOI PORTANT MODIFICATION À LA LOI DE 1920 AYANT RAPPORT À LA TAXE SUR LE REVENU (1941)."

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En vue de l'incertitude existante au sujet du montant du revenu de l'année 1940 des résidents ordinaires, autre que le revenu reçu actuellement et que cette même incertitude peut exister pour d'autres années à venir et qu'en conséquence il est à propos d'établir des règles équitables aussi bien pour les Etats que pour les contribuables par rapport à telles circonstances, les Etats ont approuvé les dispositions suivantes, rédigées en anglais, lesquelles après avoir reçu la sanction du Lieutenant-Gouverneur Britannique et ensuite l'approbation de Monsieur le Feldkommandant Allemand et moyennant promulgation par le dit Lieutenant-Gouverneur auront force de Loi en cette Ile :—

Paragraph 1.—The provisional basis of assessment of ordinary residents for the year of assessment 1941 and each subsequent year of assessment while this Law remains in force in respect of (a) income being all income from sources in or out of Guernsey except profits from businesses and professions carried on in Guernsey by or for the account of the taxpayer either alone or with one or more other persons, (b) salaries and other remuneration for services and (c) income derived from businesses and vocations carried on elsewhere than in Guernsey by or for the account of the taxpayer either alone or with one or more other persons shall be the income accrued and actually received in Guernsey by or on behalf of the taxpayer during the calendar year preceding the year of assessment concerned. All moneys advanced by way of loan by the States of Guernsey or by direction thereof to or for a taxpayer to assist him because of diminution of available income resulting or presumed to result from the occupation of this Island by German Forces, shall, for the purposes of this Paragraph, be regarded notionally

Provisional
basis of
assessment.

* Repealed by the Income Tax (Guernsey) Law, 1950.

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but provisionally only as income received by that taxpayer in the year in which such money is advanced to and received by or for him, and consequently the amount of tax paid in respect of such advances shall be taken into account as a payment of tax provisionally made in respect of actual income of that year of such taxpayer, and adjustment and refund if necessary, shall be made accordingly on ascertainment of the actual income received or deemed to be recoverable by him which arose or accrued in that year, so that ultimately the amount of tax (including sur-tax) which the taxpayer shall have borne in respect of any year shall be the amount of the liability imposed on him in respect of such year by "The Income Tax Laws 1920 to 1939".

Deductions
for bad
debts.

Paragraph II.—(a) While this Law remains in force the provisions of Article 3 of the Law styled "Loi ayant rapport à la Taxe sur le Revenu" registered on the Records of this Island on the 10th day of January 1920 hereinafter called "the Basic Law" which stipulates that the profits from trade, business of any description and professions shall be the full and proper profits therefrom arrived at on ordinary commercial principles, but subject to certain provisions therein set forth, shall continue to apply in respect of the year of assessment 1941 and subsequent years but subject to the following provision namely:—In computing the amount of the profits of any business or profession of any year it shall be permissible to the taxpayer on compliance with section (b) of this Paragraph to deduct (1) the amount of any debts which he has written off as irrecoverable because of the known financial position of the debtor and (2) an amount not exceeding fifty per cent. of other debts the recovery of which may be regarded as doubtful by reason of facts known to the creditor respecting the ability or inability of the debtor to discharge his liabilities, or because of the inaccessibility by the creditor to the debtor by reason of the interruption of communication on business matters

with the place where the debt is payable or from which in the normal course of business it would be remitted to Guernsey.

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(b) The above mentioned deductions shall be allowable if at the time of making the return concerning the relative accounts of the taxpayer there is furnished to the Administrator of Income Tax a schedule or schedules showing in orderly manner the names of the debtors, the addresses last known to the taxpayer of such debtors and the amounts due from them respectively in respect of which deductions have been made or are claimed and, if so required by the Administrator of Income Tax, the taxpayer shall furnish to him the reasons justifying such deductions.

Paragraph III.—Notwithstanding the foregoing provisions the Administrator of Income Tax may at any time demand from any taxpayer the amount of tax from the payments of which he may have been relieved by reason of the foregoing provisions of this Law and the taxpayer shall be obliged to pay the same within such time as the Administrator of Income Tax shall appoint unless the taxpayer can show that notwithstanding his reasonable diligence the prospects of the receipt by him of any part of the income in respect of which he has had relief under this Law are still unknown to him, in which case his liability to tax shall then be determined provisionally without regard to such want of information but the assessment made in the absence of such information shall be subject to adjustment later.

Subsequent
payment of
tax on deduc-
tions.

Paragraph IV.—All income from investments, pensions, annuities, or from any other source, shall be chargeable to Income Tax in the year of Assessment next succeeding the calendar year in which it arose or shall arise notwithstanding that the taxation thereof may be provisionally affected by this Law. Rights and liabilities under Articles 17 and 18 of the Basic Law are however unaffected by this Paragraph.

Time when
income
chargeable.

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 Relief under
 Article 8 of
 Law of 1920.

Paragraph V.—A taxpayer shall not be entitled for the purpose of obtaining relief under Article 8 of the Basic Law to have taken into account the deductions permitted to be made by Section (a) (2) of Paragraph II of this Law.

Paragraph VI.—

Short Title,
 etc.

- (1) This Law may be cited as The Income Tax (Amendment) Law 1941.
- (2) This Law together with "The Income Tax Laws, 1920 to 1939" shall be construed together as "The Income Tax Laws 1920 to 1941".

VICTOR G. CAREY,
 Lieutenant-Gouverneur.

Genehmigt:
 Der Feldkommandant
 I. V.

DEMMLER
 Major.

21.8.41.
