



ANALYSIS

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1988, No. 1

An Act to amend the Income Tax Act 1972

(31 May 1988)

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 1988, and shall be read with and deemed part of the Income Tax Act 1972 (hereinafter called "the principal Act").

(2) This Act shall be deemed to have come into force on the first day of January 1988.

2. Interpretation - In this Act, unless the context otherwise requires -

"Bank" means any person licenced to carry on banking business pursuant to the provisions of the Banking Act 1969, and includes the Cook Islands Post Office.

3. Special exemptions for savings or deposits with Banks - The principal Act is amended by adding after section 46A, the following new section,-

"46B. Special exemption for savings or deposits with Banks - (1) For the purpose of assessing income tax every taxpayer (other than a person to whom section 47 of this Act applies) who is resident in the Cook Islands and earns income by way of interest on deposits or savings with any bank named in the Schedule, shall not be liable for income tax (other

Price .50c

than withholding tax) in respect of the first \$500 of the aggregate of all such income derived by that taxpayer in any income year.

(2) The Queen's Representative may, by Order in Executive Council amend the schedule by adding to or deleting therefrom the name of any bank.

SCHEDULE

Post Office Savings Bank
European Pacific Banking Company Limited

This Act is administered by the Inland Revenue Department.