



ANALYSIS

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2004, No. 18

An Act to amend the Income Tax Act 1997

(14 June 2004)

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 2004 and shall be read together with and deemed part of the Income Tax Act 1997 (“the principal Act”).

(2) This Act is deemed to have come into force on 1 January 2004, except section 4 which is deemed to have come into force on 1 July 1997.

2. Arrangements purporting to alter incidence of taxation to be void - Section 56 of the principal Act is amended by omitting the words “it has or purports to have the purpose or effect of in any way altering the incidence of income tax” and substituting the following words “it has or purports to have the purpose or effect, or one of its purposes or effects, of in any way altering the incidence of income tax”.

3. Certain deductions not permitted - Section 59(k)(ii) of the principal Act is amended by omitting the words “the dividends are included in the assessable income of a person under section 46(1)(g) of this Act;” and substituting the words “the dividends are included in the assessable income of a person in the same income year under section 46(1)(g) of this Act;”.

4. Withholding tax imposed - Section 100 of the principal Act is amended by omitting the words “interest or royalties are paid by any person who is not resident in the Cook Islands” and substituting the following words “interest or royalties are paid to any person who is not resident in the Cook Islands”.

5. Application of this Part - Section 173(3) of the principal Act is amended by omitting the words “does not exceed \$200” and substituting the following words “does not exceed \$1,000”.

This Act is administered in the Revenue Management Division of the Ministry of Finance and Economic Management