



## ANALYSIS

Title	
1. Short Title and commencement	3. Withholding tax imposed
2. Deposits with banks	

1994-95, No. 29

An Act to amend the Income Tax Act 1972

(21 April 1995)

**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 1994-95 and shall be read together with and deemed part of the Income Tax Act 1972 (hereinafter referred to as "the principal Act").

(2) This Act shall come into force on the 1st of May 1995.

2. Deposits with banks - The principal Act is amended, by inserting after section 50 the following new section -

"50A. Deposits with banks - (1) Notwithstanding any other provision of this Act, income received by a person who is resident in the Cook Islands by way of interest on a qualifying deposit shall, for the period commencing on the 1st May 1995 and ending on the 30th April 1997, be free of income tax.

(2) For the purposes of this section, a "qualifying deposit" shall be a deposit that is -

- (a) \$200,000 or more; and
- (b) is on fixed or term deposit with a bank licensed pursuant to the Banking Act 1969, for a continuous period of not less than 6 months."

3. Withholding tax imposed - Section 105 of the principal Act is amended, by -
- (a) repealing subsection (1);
  - (b) deleting from subsection (2), the words "(2) Subject to paragraph (1)";
  - (c) repealing subsection (3).
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This Act is administered by the Inland Revenue Department