

**COMMONWEALTH OF DOMINICA**

Act No. 12 OF 2002

I assent



VERNON L. SHAW  
President

30<sup>th</sup> September, 2002

**AN ACT TO AMEND THE INCOME TAX ACT  
CHAPTER 67:01**

(Gazetted 3<sup>rd</sup> October, 2002.)

BE IT ENACTED by the Parliament of the Commonwealth of  
Dominica as follows:

1. (1) This Act may be cited as the –

**INCOME TAX (AMENDMENT) ACT 2002.**

Short title and  
Commencement.

(2) This Act shall be deemed to have come into force  
on 1<sup>st</sup> July, 2002.

2. In this Act the Income Tax Act is referred to as “the Act”.

Interpretation.  
Ch. 67:01.

Amendment of  
Section 40 of the  
Act.

**3.** Section 40 (1) of the Act is amended as follows:

- (a) in paragraph (n) by deleting the word “profession.” and inserting the word “profession;”; and
- (b) by inserting immediately after paragraph (n) the following paragraphs -
  - “(o) any expenditure incurred by that person prior to the commencement of the business activities by way of research and development; this expense is to be written off over a five year period.
  - (p) any expenditure incurred by that person in the basis period for such year of assessment by way of research and development in the course of his business.”

Amendment of  
Section 43 of the  
Act.

**4.** Section 43 of the Act is amended in subsection (3) by deleting the words “two years” and substituting the words “four years”.

Amendment of the  
Third Schedule to  
the Act.

**5.** The Third Schedule of the Act is amended as follows:

- (a) by renumbering paragraph 3 as subparagraph (1) of that paragraph;
- (b) by deleting in item (b) of the renumbered subparagraph (1) the words “ten percent” and substituting the words “twenty five percent”; and
- (c) by inserting the following immediately after subparagraph (1).

“(2) Notwithstanding subparagraph (1) the expenses that relate to the rental income shall be allowed as deductions in ascertaining the tax to be deducted.”

Amendment to  
Third Schedule  
comes into force on  
January 1, 2003.

**6.** The amendment made to the Third Schedule of the Act by Section 5 shall come into effect on 1<sup>st</sup> January, 2003.

Passed in the House of Assembly this 10<sup>th</sup> day of September, 2002.

ALEX F. PHILLIP (MRS.)  
*Clerk of the House of Assembly*

DOMINICA

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