



Yn Tashtey

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Mr Speaker, Members of the House of Keys
By email

2nd July 2021

Dear Mr Speaker, Members of House of Keys,

Re: Income Tax Division - record keeping

At the sitting of House of Keys held on 22 June 2021, I stated that I would confirm all aspects of record-keeping and timescales in writing in response to Mr Moorhouse's question "how does the Treasury expect individuals to keep records after they have been accepted and how does Treasury keep their records, please?".

Section 80A (Duty to preserve records) of the Income Tax Act 1970 provides that a taxpayer must preserve records as follows —

- in the case of a corporate taxpayer, at least 5 years from the end of the relevant accounting period;
- in the case of a non-corporate taxpayer who carries on a trade, profession or business or who receives income arising from the rents of land, at least 6 years from the end of the relevant year of assessment; and
- in the case of other non-corporate taxpayers, at least 2 years from the end of the relevant year of assessment.

The records required to be preserved are all such records and supporting documents as may be necessary for making a true, correct and complete return and include records of —

- all receipts and expenses in the course of a corporate taxpayer's activities, and the matters in respect of which the receipts and expenses arise; and
- in the case of a trade involving dealing in goods, all sales and purchases made in the course of the trade.

The Assessor retains records for at least the minimum period that Section 80A requires the taxpayer to preserve the same records.

Yours sincerely
[Signature redacted]

Hon A L Cannan MHK
Minister for the Treasury
