Statutory Document No. 2024/0069

Income Tax Act 1970

INCOME TAX (RATES OF INCOME TAX) (RESIDENT AND NON RESIDENT CORPORATE TAXPAYERS) (PETROLEUM EXTRACTION ACTIVITIES OR RIGHTS) ORDER 2024

Approved by Tynwald: 20 February 2024
Coming into operation in accordance with article 2

The Treasury makes the following Order under sections 1(2A), (3), (3A), (3B), (3BA) and 27A of the Income Tax Act 1970.

1 Title

This Order is the Income Tax (Rates of Income Tax) (Resident and Non Resident Corporate Taxpayers) (Petroleum Extraction Activities or Rights) Order 2024.

2 Commencement

If approved by Tynwald, this Order comes into operation on 6 April 2024[1] and shall have effect in respect of the income tax year commencing 6 April 2024 and all subsequent years.

3 Interpretation

In this Order —

"the Act" means the Income Tax Act 1970;

"petroleum extraction activities" is defined in accordance with section 119BA of the Act; and

"petroleum extraction rights" is defined in accordance with section 119BA of the Act.

[1] By virtue of section 1(3E) and 27A, an order under section 1 or section 27A of the Income Tax Act 1970 shall not come into operation unless it is approved by Tynwald.

4 Petroleum extraction activities or rights

A corporate taxpayer shall pay income tax at the prescribed rate of 20% in respect of every pound of taxable income derived from petroleum extraction activities or rights.

5 Group relief

Group relief is only available from a surrendering company under Schedule 2 of the Income Tax Act 1980 against income or profit from petroleum extraction activities or rights taxable at the prescribed 20% rate if the loss to be surrendered is from a trade or business in respect of petroleum extraction activities or rights that would be subject to a 20% rate of income tax.

MADE 7 FEBRUARY 2024

DR A ALLINSON
Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order introduces a 20% rate of income tax for corporate taxpayers in respect of income derived from petroleum extraction activities or rights in the Isle of Man and the territorial sea adjacent to it.