

**YEAR OF ASSESSMENT 2011 (INCOME FOR THE PERIOD 1 JANUARY 2010 TO 31 DECEMBER 2010)
NOTES - HOW TO FILL IN YOUR RETURN (I.T FORM 1)**

ELECTRONIC FILING

You may file your tax return electronically on MRA website <http://mra.gov.mu>

CHANGE IN PERSONAL DATA

In case there are changes in your personal data as printed on the return, kindly fill in a Personal Data Change Form (available on MRA website/Service Counter) and send it to MRA

DUE DATE

The return should be forwarded so as to reach the office of the Director-General at latest on 31 March 2011. Where the return is filed electronically and payment, if any, is effected through internet banking, the due date has been extended to 15 April 2011

Note 1 - Section 2

Where income falling under section 2 is derived jointly by a couple, such income may be declared in any proportion by each spouse.

Trade, Business and Profession - Section 2.1

Net income is obtained by adding to the net income per accounts, all non allowable items such as provision for bad debts, depreciation, etc, and deducting all allowable items.

Expenses incurred exclusively in the production of gross income are deductible. Expenses of a private or capital nature and expenses incurred in the production of exempt income are not allowable.

Annual Allowance

Capital expenditure is not an allowable deduction. However, you may claim annual allowance in respect of the capital expenditure as specified hereunder:

Capital Expenditure incurred on —	Rate of Annual Allowance	
	Percentage of Base Value	Cost
Industrial premises	-	5
Commercial premises	-	5
Hotels	30	-
Plant or Machinery-		
(a) costing or having a base value of 30,000 rupees or less	100	100
(b) costing more than 30,000 rupees-		
(i) ships or aircrafts	20	-
(ii) aircrafts and aircraft simulators leased by a company engaged in aircraft leasing	-	100
(iii) motor vehicles	25	-
(iv) Electronic and high precision machinery or equipment, computer hardware and peripherals and computer software	50	-
(v) furniture and fittings	20	-
(vi) other	35	-
Improvement on agricultural land for agricultural purposes	25	-
Scientific research	25	-
Golf courses	15	-
Acquisition or improvement of any other item of a capital nature which is subject to depreciation under the normal accounting principles	-	5

No other deduction is however allowable in respect of the same expenditure.

No annual allowance is allowable unless proper books of accounts and records are kept.

Note 2 - Section 2.4

Resident Société or Succession

(a) Société (Partnership)

A resident société is not liable to tax. Instead, every associate of the société is liable to tax on his share of income, whether distributed or not.

A resident société is required to fill in and submit its annual return of income (**IT Form 6**) to the MRA not later than 31 March 2011.

A non-resident société which is liable to tax as a company should fill in and submit an **IT Form 3**.

(b) Succession

A succession is not liable to tax. Instead, every heir of the succession is liable to tax on his share of income, whether distributed or not.

A succession is required to fill in and submit its annual return of income (**IT Form 9**) to the MRA not later than 31 March 2011.

Note 3 - Section 3

Interest Income

Interest earned as from 1 January 2010 on savings and fixed deposit accounts maintained with a bank or non-bank deposit taking institution, Government securities and Bank of Mauritius Bills are exempt.

However, all interests earned during period 1 July 2006 to 31 December 2009, which were paid to you in year 2010 are taxable.

Enter at section 3.1 any interest income, other than the above mentioned exempt interest, received by you and your dependents during the income year ended 31 December 2010, including interest relating to period 1 July 2006 to 31 December 2009 which were paid to you in that income year.

Note 4 - Section 5

Income of Dependents

If you have claimed Income Exemption Threshold of Category B, C, D, or F at section 12, any net income derived by the dependent/s during the year is deemed to be your income and should be included at section 5 of your tax return. Conditions for entitlement to IET Category B, C, D and F are given in note 7.

Note 5 - Section 7

Losses

Losses may be set off against net income other than emoluments subject to the following:

- (i) Losses incurred in an income year may be carried forward to be set-off against net income of the following 5 income years only.
- (ii) Any unrelieved loss as at 30 June 2006 (including loss attributable to capital allowances) may be carried forward for a maximum period of 5 years.
- (iii) The time limit of 5 years is not applicable for the carry forward of any amount of loss that is attributable to annual allowance claimed in respect of capital expenditure incurred on or after 1 July 2006.

Note 6 - Section 9

Emoluments

If you derived emoluments, the PAYE Employer Registration Number, emoluments net of exempt income, tax withheld under PAYE as

appearing in your Statement/s of Emoluments and Tax Deduction should be inserted at section 9. The total emoluments net of exempt income should be inserted at section 9.11 and then at 9.13 after deducting any expenditure incurred wholly and exclusively in the performance of the duties of the office. If you derived emoluments from more than 10 sources, give details of the 9 main sources at 9.1 to 9.9. For the remaining sources, lump the emoluments and tax withheld, insert the word "Lump" in the first column and enter the corresponding amounts at 9.10.

Note 7 - Section 12

Income Exemption Threshold (IET)

An individual who was resident in Mauritius in the income year ended 31 December 2010 is entitled, for the purpose of calculating his chargeable income, to claim a deduction in respect of Income Exemption Threshold - Category A, B, C, D, E or F as applicable to him.

If you make a claim under either Category B, C, D or F then your spouse shall be entitled to a claim under Category A or E only in his/her tax return of the year.

IET - Category A - No dependent

If you were resident and had no dependent (spouse or child), you should claim IET Category A unless you are entitled to claim IET Category E.

IET - Category B - one dependent

A claim under Category B shall be allowable if the net income and exempt income of your first dependent did not exceed Rs 110,000 in the income year ended 31 December 2010.

IET - Category C - two dependents

A claim under Category C shall be allowable if the net income and exempt income of your second dependent did not exceed Rs 60,000 in the income year ended 31 December 2010.

IET - Category D - three dependents

A claim under Category D shall be allowable if the net income and exempt income of your third dependent did not exceed Rs 40,000 in the income year ended 31 December 2010.

IET - Category E - retired person - no dependent

A claim under Category E shall be allowable to a retired person who has attained the age of 60 at any time prior to 1 January 2010 and has not received any business income or emoluments other than retirement pension.

IET - Category F - Retired person - One dependent

A claim under Category F shall be allowable to a retired person who has attained the age of 60 at any time prior to 1 January 2010 and has not received any business income or emoluments other than retirement pension. The net income and exempt income of the dependent should not exceed Rs 110,000 in the income year ended 31 December 2010.

"Dependent" means a spouse, a child under the age of 18; or a child over the age of 18 and who is pursuing full time education or training or who cannot earn a living because of a physical or mental disability.

"Child" means

- (a) an unmarried child, stepchild or adopted child of a person;
- (b) an unmarried child whose guardianship or custody is entrusted to the person by virtue of any other enactment or of an order

of a court of competent jurisdiction;

- (c) an unmarried child placed in foster care of the person by virtue of an order of a court of competent jurisdiction.

"Resident" means an individual who has been present in Mauritius during the income year for a period of or an aggregate period of 183 days or more; or who has been present in Mauritius during the income year and the 2 preceding income years for an aggregate period of 270 days or more; or who has his domicile in Mauritius unless his permanent place of abode is outside Mauritius.

Note 8 - Section 13

Chargeable Income

The chargeable income is arrived at by deducting from the total net income at section 11, the Income Exemption Threshold at section 12.7.

Note 9 - Section 14

Calculation of Tax

The tax on chargeable income is calculated at a flat rate of 15%.

Note 10 - Section 15

Tax Credits

Enter foreign tax paid or the amount of Mauritius tax attributable to the foreign income, whichever is the lesser.

Note 11 - Section 17

Tax Withheld under PAYE and TDS and paid under CPS

Enter amount withheld under PAYE as per Statement of Emoluments and Tax deduction.

Enter amount deducted at source as TDS on your income from interest at section 3, royalties, rent, contracting and sub contracting and other services (architect, engineer, land surveyor, project manager in the construction industry, property valuer and quantity surveyor) as per Statement of Tax Deduction at Source.

A relief in respect of tax deducted at source on exempt interest for period 1 January 2010 to 31 December 2010 can only be claimed in the tax return for Assessment Year 2012.

Note 12

The due date for submission of the return is 31 March 2011. However, where the return is filed electronically and payment of tax, if any, is effected through internet banking, the due date has been extended to 15 April 2011.

Note 13 - Section 19

Penalty and Interest

Penalty for late submission of return

Every person who is required to submit a return and who fails to do so, shall be liable to pay a monthly penalty of Rs 2,000 up to a maximum of Rs 20,000.

Penalty for late payment of tax

In case of late payment, enter 5% of the balance of tax payable per section 18.

Interest on late payment of tax

In case of late payment, enter 1% of the balance of tax payable at section 18 for each month or part of the month during which the tax remains unpaid after the due date.

These notes are intended to assist in the completion of the return. If further information is required, please contact the Mauritius Revenue Authority, Eham Court, Cnr Mgr Gonin & Sir Virgil Naz Streets, Port Louis.

Tel. No: 207-6000

Hotline: 207-6010

Fax No. : 211-8099

Website: <http://mra.gov.mu>