

**YEAR OF ASSESSMENT 2012 (INCOME FOR THE PERIOD 1 JANUARY 2011 TO 31 DECEMBER 2011)  
NOTES - HOW TO FILL IN YOUR RETURN (I.T FORM 1)**

**ELECTRONIC FILING**

You may file your tax return electronically on MRA website <http://www.mra.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 2 April 2012  
Where the return is filed electronically and payment, if any, is effected through internet banking, the due date is 16 April 2012

**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 2.2**

**Agriculture**

No return is required to be submitted by an individual where, during the income year ended 31 December 2011, he did not derive any income other than old age pension and income from sugar cane cultivation provided that the extent of land under cane cultivation was less than 15 hectares and the sugar accruing therefrom did not exceed 60 tonnes.

**Note 3 - 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 2 April 2012.

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 2 April 2012.

**Note 4 - 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 2011 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 2011, including interest relating to period 1 July 2006 to 31 December 2009 which were paid to you in that income year.

**Note 5 - 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 8.

**Note 6 - 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 7 - 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, exclusively and necessarily 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 8 - Section 12****Income Exemption Threshold (IET)**

An individual who was resident in Mauritius in the income year ended 31 December 2011 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 for 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 2011.

**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 2011.

**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 2011.

**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 2011 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 2011 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 2011.

"*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

- an unmarried child, stepchild or adopted child of a person;
- 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;
- 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 9 (Section 13)****Additional exemption in respect of dependent child pursuing undergraduate course**

- Where a person has claimed an Income Exemption Threshold in respect of category B, C, D or F and the dependent is a child pursuing a non-sponsored full-time undergraduate course at a recognised tertiary educational institution, the person may claim an additional exemption in respect of that child as follows:
  - Rs 80,000 - Where the child is pursuing his undergraduate course in Mauritius at an institution recognised by the Tertiary Education Commission; or
  - Rs 125,000 - Where the child is pursuing undergraduate course outside Mauritius at a recognised institution.
- The additional exemption is not allowable:-
  - in respect of more than three children;
  - in respect of the same child for more than 3 consecutive years;
  - where the tuition fees, excluding administration and student union fees, are less than Rs 44,500;
  - where a person is liable to Solidarity Income Tax.

**Note 10 (Section 14)****Interest Relief on secured housing loan.**

- A person who has contracted a housing loan, which is secured by a mortgage or fixed charge on immovable property and which is used exclusively for the purchase or construction of his house, may claim a relief in respect of the interest paid on the loan.
- The relief to be claimed is the amount of interest paid in the income year ended 31 December 2011 or Rs 120,000, whichever is the lesser.  
In the case of a couple where neither spouse is a dependent spouse, the relief may be claimed by either spouse or at their option, divide the claim equally between them provided the claim does not, in the aggregate, exceed Rs 120,000.
- The loan must have been contracted on or after 1 July 2006 from a bank, a non-bank deposit taking institution or an insurance company.
- The relief is not allowable where the person or his spouse:-
  - is, at the time the loan is contracted, already the owner of a residential building;
  - is liable to Solidarity Income Tax;
  - has benefitted from any new housing scheme set up on or after 1 January 2011 by a prescribed competent authority.
- The relief is allowable for 5 consecutive years only as from January 2011.

**Note 11 - Section 16****Chargeable Income**

The chargeable income is arrived at by deducting from the total net income at section 11, the total exemption and relief at section 15.

**Note 12 - Section 17****Calculation of Tax**

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

**Note 13 (Section 18)****Solidarity Income Tax**

An individual who was resident in Mauritius in the income year 2011 is liable to Solidarity Income Tax if his total income exceeded two million rupees in that income year.

For the purpose of Solidarity Income Tax, "total income" means the net income of the individual and that of his dependents other than gains from sale or transfer of immovable property and includes -

- (i) dividends paid to him by resident companies and co-operative societies.
- (ii) interest on savings, fixed deposits, Government Securities and Bank of Mauritius Bills.

Solidarity income tax is payable at the rate of 10% on dividends and interest income mentioned at (i) and (ii) above.

**Note 14 (Section 19)****Gains from sale/transfer of immovable property**

An individual is liable to a tax at the rate of 10% on gains exceeding 2 million rupees derived from immovable property sold or transferred during the period 1 January 2011 to 4 November 2011. Gains derived by an individual from the first sale or transfer of immovable property after 31 December 2010 are exempt from tax where the proceeds do not exceed 5 million rupees. For additional information on the tax on gains, please refer to the "Guide on the taxation of Gains" available on MRA website.

Loss incurred on sale/transfer of an immovable property in an income year, otherwise than during the course of a business, cannot be set off against any other income derived in that income year.

Furthermore, the loss cannot be carried forward and set off against future gains or profits.

**Note 15 - Section 21****Tax Credits**

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

**Note 16 - Section 23****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 in year 2011 on your income from interest, royalties, rent, contracting and subcontracting 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 credit in respect of tax deducted at source on exempt interest (refer to note 4) paid to you in year 2010 may be claimed at section 23.8. The credit allowable for the income year 2011 is either 50% of the tax deducted or the amount of tax payable whichever is the lesser. The remaining amount can only be claimed in your tax return for income year 2012.

**Note 17**

The due date for submission of the return is 2 April 2012. However, where the return is filed electronically and payment of tax, if any, is effected through internet banking, the due date is 16 April 2012.

**Note 18 - Section 25****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 24.

**Interest on late payment of tax**

In case of late payment, enter 1% of the balance of tax payable at section 24 for each month or part of the month during which the tax remains unpaid after the due date.

**Note 19 (Section 27)****Contribution to National Pensions Fund (NPF) and National Savings Fund (NSF)**

An individual who is not registered as an employer under the National Pensions Act and has not paid NPF/NSF contributions to the Ministry of Social Security in respect of any person employed by him in the **domestic service** during the year 2011, may declare in his income tax return and pay such contributions to the MRA on a yearly basis without being subject to any surcharge for late payment, provided that the payment is effected on or before 2 April 2012. However, where the income tax return is submitted electronically and payment of NPF/NSF contributions made through internet banking the due date for payment is 16 April 2012.

In case NPF/NSF contributions are paid to the MRA after the due date, a surcharge for late payment of 5% per month or part of the month up to a maximum of 100% of the amounts payable is applicable under the National Pensions Act and the National Savings Act.

Where an employer pays his NPF/NSF contributions for any year to the MRA, he should continue to do so for every subsequent year.

"domestic service" means employment in a private household and includes employment as cook, driver, gardener, garde malade, maid, seamstress."

Contributions are payable on the basic wage or salary as prescribed in the Remuneration Order, award or agreement, or where the employer pays a higher salary, the higher salary, excluding allowances. The minimum and maximum monthly salary on which NPF and NSF contributions were payable for the year 2011, are as follows -

	Minimum monthly salary (full time employee) Rs	Maximum monthly salary Rs
January 2011 to June 2011	1100	11470
July 2011 to December 2011	1195	12460

Contributions are payable as per rates below -

	Employee's Contribution	Employer's Contribution	Total
NPF	3%	6%	9%
NSF	1%	2.5%	3.5%

The employee's and employer's share of NPF and NSF contributions should each be calculated separately and rounded to the nearest rupee .

In case there are more than five employees, attach additional sheet(s) in the same format as page 5 of the return to give the required details.

As regards NPF/NSF contributions for year 2012, any individual may either pay his contributions on a monthly basis to the Ministry of Social Security or in one sum to the MRA at the time he submits his income tax return for income year 2012 (year of assessment 2013).

For additional information, please consult the website of the Ministry of Social Security <http://socialsecurity.gov.mu>

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

**Tel. No: 207-6000**

**Hotline: 207-6010**

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