

## **TR 16**

### **Facts**

The core activities of a company since its incorporation have been the provision of a wide range of contracting works to the sugar industry for the preparation, upkeep and enhancement of sugar cane fields. These activities have been extended to the mechanical loading and mechanical harvesting of sugar cane top.

### **Point at issue**

Whether the company is a tax incentive company under item 22 of Part V of the First Schedule to the Income Tax Act 1995 which reads as follows: "a company deriving at least 75 per cent of its gross income from agriculture, fishery and livestock".

### **Ruling**

The company is not engaged in agriculture but is providing services to the sugar industry for the preparation, upkeep and enhancement of sugar cane fields. The income derived by the company, although linked with agriculture, represents the return for the services provided to the sugar industry. Hence, the company does not qualify as a tax incentive company.