

YEAR OF ASSESSMENT 2006-2007 (INCOME YEAR ENDED 30 JUNE 2006) NOTES - HOW TO FILL IN YOUR RETURN (I.T FORM 1A)

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 and Fax No. : 211-8099

Note 1 (Section 4.7)

Emoluments

Deductions Applicable to Members of Recognised Professional Bodies

You may claim any expenditure incurred for attending seminars, workshops, symposiums or training courses and payment of membership fees, net of any amount re-imbursed by your employer, to any recognised professional body. The maximum deduction is Rs 30,000.

Receipts evidencing payments made should be attached.

No deduction is allowable under this section where expenses are claimed under 2.13 below.

Note 2 (Section 16)

Personal Reliefs and Deductions

Deductions under 2.1 & 2.4 (self only) can be claimed if you are either a citizen or a resident of Mauritius. Other deductions stated below can be claimed only if you are resident in Mauritius.

“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 2.1 (Section 16.3)

Basic Personal Deduction

Enter Rs 85,000 if you were a citizen of or resident in Mauritius.

Note 2.2 (Section 16.4)

Deduction for Dependent Spouse

Enter Rs 85,000 if in the income year you were married, your spouse was living with or maintained by you and your spouse's net income (including exempt income) for the income year did not exceed Rs 85,000.

Note 2.3 (Section 16.5)

Basic Deduction for Dependent Children (limited to 3)

Enter Rs 30,000 for each dependent child.

You may claim a deduction for your :-

- (i) unmarried child, step child or adopted child,
- (ii) unmarried child whose guardianship or custody has been entrusted to you **by virtue of any enactment or court order**,
- (iii) unmarried child placed in your foster care **by virtue of a court order**.

In the case of a couple, both spouses may claim deduction in respect of dependent children. However, they cannot both claim a deduction in respect of the same child and for more than **THREE** children in the aggregate.

Note 2.3a

Deduction for school fees for dependent children

You may claim a deduction **in respect of school fees** payable by you to a recognised educational institution for the education of your dependent child in respect of whom a deduction has been claimed under Section 2.3.

- (i) The maximum deduction allowable for each child is as follows :-
 - Rs 10,000 in respect of a child receiving pre primary, primary or secondary education.
 - Rs 80,000 in respect of a child receiving tertiary education in Mauritius.

- (ii) The deduction allowable for a child receiving tertiary education outside Mauritius is Rs 80,000.

No deduction should be claimed if the child's net income (including exempt income) for the income year is likely to exceed the amount of the deductions under 2.3 & 2.3a.

Note 2.4 (Section 16.6)

Deduction for handicapped persons

- If
- (i) you or your dependent spouse, or
 - (ii) any of your dependent children in respect of whom you have claimed a deduction under section 16.5, or
 - (iii) any of your dependent children over the age of 18 in respect of whom you have not claimed a deduction under section 16.5, or
 - (iv) any other person for whom you are a **tutor**,

was physically or mentally handicapped in a permanent capacity, you may in each case claim a deduction of Rs 70,000.

For the purposes of (iv), tutor means a person who maintains a handicapped person who is connected with him or his **dependent** spouse by blood relationship as parent, grand-parent, brother, sister, uncle, aunt, nephew or niece. Where claims for deduction in respect of a handicapped person are made by 2 or more taxpayers, the deduction shall be apportioned between them in proportion to the amount or value of their respective contributions.

Please attach medical certificate, photocopy of National Identity card of the handicapped person & relevant birth certificates to establish blood relationship.

Note 2.5 (Section 16.7)

Alimony and Maintenance

Enter payments made in accordance with a Court Order.

Note 2.6 (Section 16.8)

Relief for Pension Contribution (NPF, FPS, etc.)

Enter contributions to approved superannuation/pension funds or schemes or to a widow's and children's fund.

Note 2.7 (Section 16.9)

Interest Relief

Enter the amount of interest paid during the income year on loans that are secured and are used exclusively for the purchase of land to be used for the construction of your residence or the purchase, construction or improvement of your residence, or to finance tertiary education of your dependent children.

A loan is considered secured when it is :

- secured by mortgage or fixed charge on immovable property;
- raised on the security of a life insurance policy on your life or on the life of your dependent spouse or on the life of your dependent children;
- raised on the security of a standing crop or the proceeds of a crop;
- raised on the pledge of shares or debentures.

The maximum amount allowable is limited to Rs 250,000; however, a couple may deduct interest paid as follows:

- Where neither spouse is a dependent spouse, each spouse Rs 125,000
- Where one spouse is a dependent spouse or where neither spouse is a dependent spouse but the loan has been contracted by only one spouse Rs 250,000
- Where a loan has been contracted jointly by a couple, the interest relief may be shared in any proportion, provided that, in the aggregate, the deduction does not exceed Rs 250,000.

NOTE:

- (1) In respect of secured loan raised prior to 1 June 1996 the deduction for interest paid, is **unlimited**.
- (2) Interest paid on a secured loan raised prior to 1 July 1999 for any purpose, other than for the production of exempt income, qualifies for deduction.

Interest on unsecured loans (even for construction purposes) is NOT allowable.

Note 2.8 (Section 16.10)**Investment Relief**

Enter the sum of –

- (i) 40% of –
- the amount paid as subscription to the share capital of a company listed on the Stock Exchange or of an authorised mutual fund;
 - investments made in newly issued securities of an investment trust company;
 - the excess of the investments in units held at 30.6.2006 over the investments in units held at 30.6.2005;
 - contributions made to an approved medical savings scheme or an investment club formed in accordance with the *Stock Exchange Act* ; **and**
- (ii) any excess brought forward from the last income year.

Note: – The relief in any one income year shall not exceed Rs 50,000;

Note 2.9 (Section 16.11)**Relief for Investment in Retirement Savings Scheme**

Enter the amount of investments made in any prescribed retirement savings scheme. The maximum amount allowable is Rs 50,000 in the aggregate.

Note 2.10 (Section 16.12)**Deduction for Medical Expenses**

You may claim a deduction of –

- (a) 75% of net expenses (i.e. expenses less any refund) incurred for medical treatment of yourself, your dependent spouse or your dependent children in a health institution or hospital, **and**
- (b) any excess brought forward from the previous income year.
- The maximum amount allowable is Rs 25,000 for treatment in Mauritius or Rs 35,000 for treatment outside Mauritius.

Note 2.11 (Section 16.13)**Donations to Charitable Institutions**

You may claim a deduction in respect of donations made to approved charitable institutions. The maximum aggregate amount allowable is Rs 40,000.

Note 2.12 (Section 16.14)**Deduction for Contribution to the National Solidarity Fund Prime Minister's Children's Fund**

Enter the total amount paid as contribution to the National Solidarity Fund or the Prime Minister's Children's Fund.

Note 2.13 (Section 16.15)**Deduction for expenditure on Education and Training**

You may claim a deduction in respect of any subscription, examination or course fees or expenses payable to a recognised institution for **your** education or training, whether by distance learning or otherwise. The maximum amount allowable is Rs 50,000.

Note 2.14 (Section 16.16)**Relief for Life Insurance Premium**

Enter the amount of life insurance premium payable under a policy on your life, the life of your dependent spouse or the life of any of your children who was under the age of 18 on 30 June 2006.

Where your spouse is not a dependent spouse and the policy is held in the joint names of the spouses, the total amount paid may be shared by the spouses in any proportion.

Note 2.15 (Section 16.17)**Relief for Premium on Personal Pension Scheme**

Enter the amount of premium payable under an approved personal pension scheme to provide for a pension for yourself or your dependent spouse.

Note 2.16 (Section 16.18)**Relief for Premium on Retirement Annuity**

Enter the amount of premium or contribution payable under an approved annuity contract or scheme to provide for a life annuity in your old age.

Note 2.17 (Section 16.19)**Relief for Contribution to Medical Scheme and Ambulance Services**

Enter contributions made by you under an approved medical scheme to provide for medical expenses or for the provision of ambulance services for yourself and your dependants.

Note 2.18 (Section 16.21)**Savings Relief**

This relief represents the aggregate deduction allowable under 16.17 to 16.19 which is limited to 20% of the net income at 4.8.

Note 3 (Section 8)**Tax credits****Foreign Tax Credit**

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

Note 4 (Section 10)**Specified Mauritian/Expatriate Staff Relief**

Applicable on emoluments derived by Specified Mauritian/Expatriate employee of (i) a pioneer status enterprise (ii) an export enterprise (iii) a company engaged in electronics and high-technology activities (iv) a company holding a regional headquarters certificate (v) a company engaged wholly in the management of a venture capital fund (vi) a company operating in the freeport zone (vii) a company duly authorised by the Financial Services Commission to conduct any of the business activities referred to in item 25 of Part IV of First Schedule to the Income Tax Act (viii) a company holding a Category I Global Business Licence under the Financial Services Development Act 2001 (ix) a company managing an equity fund (x) a company engaged in spinning activities (xi) a company holding a banking licence under the Banking Act and who is employed by that company to carry out banking transactions with non-residents and corporations holding a Global Business Licence and (xii) a company holding an investment certificate in respect of specified information and communication service under the Investment Promotion (ICT Scheme) Regulations 2002.

For the purposes of (i) to (v) above, only TWO (2) employees per company are eligible for the relief.

For the purposes of (i) to (xi) above, the period of exemption granted to the Specified Mauritian/Expatriate employee must not in the aggregate exceed 4 income years for each company.

Note 5 (Section 14)**Penalty**

In case of late payment, enter 2% of the balance of tax payable at Section 13 for each month or part of the month during which the tax remained unpaid after 30 September 2006.

Where a person deriving emoluments exceeding Rs 400,000 fails to submit a return, he shall be liable to pay a penalty of Rs 5,000 per month or part of the month up to a maximum of Rs 50,000.

Income year 1.7.2005 to 30.6.2006

Rupees only

4	Emoluments											
	Employer's name											
	PAYE Empl. Regn No.											
	4.1	Salary, wages, overtime pay, fees, commissions, etc...	...	...	.....						Rs
	4.2	Arrears of emoluments	...	...	.....				
	4.3	End-of-year bonus	...	...	.....				
	4.4	Pension	...	...	.....				
	4.5	Any advantage in money's worth (Fringe benefits) :										
		Car benefit	...	...	.....				
		Free accommodation	...	...	.....				
	Others (Specify :											
4.6	Total emoluments											
4.7	Less: Expenditure applicable to members of recognised professional bodies (see Note 1)...											
4.8	Net Income										⇨	
Complete section 16 on page 4 before completing sections 5 to 15.												
5	Deduct : Total personal reliefs and deductions at section 16.22 on page 4										⇨	
6	CHARGEABLE INCOME										⇨	
7	CALCULATION OF TAX											
	Chargeable Income (Rs)								Rate %	Tax (Rs only)		
	First	Rs 25,000						10				
	Next	Rs 25,000						20				
	Next	Rs 450,000						25				
		Remainder						30				
	TOTAL								TOTAL TAX			⇨
8	FOREIGN TAX CREDIT											
	<i>Attach receipts and certificates.</i>											
8.1	Deduct foreign tax credit										⇨	
9	BALANCE AFTER TAX CREDIT										⇨	
10	SPECIFIED MAURITIAN/EXPATRIATE STAFF RELIEF											
	<i>Attach certificate from employer</i>											
10.1	Deduct 50% of tax on qualifying emoluments										⇨	
11	BALANCE AFTER RELIEF AT 10.1										➤	
12	TAX WITHHELD UNDER PAYE											
	As per Statement of Emoluments and Tax Deduction											
12.1	Deduct tax withheld										⇨	
13	BALANCE										➤	
14	PENALTY											
	If applicable, add penalty for :-											
	14.1	Late submission of return									
	14.2	Late payment of tax									
14.3	Enter total										⇨	
15	TAX PAYABLE / TAX PAID IN EXCESS (Delete as appropriate)										⇨	

Income year 1.7.2005 to 30.6.2006

Rupees only

16 PERSONAL RELIEFS AND DEDUCTIONS

Reliefs under sections 16.1 and 16.2 can be claimed by any person deriving emoluments and retirement pension respectively. Reliefs under sections 16.3 to 16.20 can be claimed by "residents" only. However, non-resident citizens of Mauritius are entitled to reliefs and deductions under 16.3 and 16.6 (for self only)

- 16.1 Emoluments relief (15% of amount shown at 4.8 - Max. Rs 135,000)
- 16.2 Retirement pension relief (Enter retirement pension included in 4.6 - Max. Rs 75,000)
- 16.3 Basic personal deduction (Rs 85,000) (See note 2.1 in the "Notes")
- 16.4 Deduction for dependent spouse (Rs 85,000) (See note 2.2 in the "Notes")
- 16.5 Deduction for dependent children and school fees (See note 2.3 in the "Notes")

Name of children	Date of birth	Name of educational institution	Deduction for children (Rs)	Deduction for school fees (Rs)

- 16.6 Deduction for handicapped persons (See note 2.4 in the "Notes")

Name of handicapped persons	Date of birth	Relationship	National Identity No.

- 16.7 Alimony and maintenance (Paid to _____)
- 16.8 Relief for pension contribution (NPF, FPS etc.)
- 16.9 Interest relief (See note 2.7 in the "Notes")
- (i) prior to 1 June 1996 Rs
- (ii) on or after 1 June 1996* Rs
- (iii) on or after 1 July 1999* Rs
- Enter total ➤

* Maximum relief for interest paid is Rs 125,000 for each spouse and Rs 250,000 in any other case

- 16.10 Investment relief (See note 2.8 in the "Notes")
- 40% of investments/contributions made in the year Rs
 - Excess relief brought forward from last year Rs
- Enter total (Max. Rs 50,000) ➤

- 16.11 Investment in retirement savings scheme (Max. Rs 50,000)
- 16.12 Deduction for medical expenses (See note 2.10 in the "Notes")
- 16.13 Donations to charitable institutions (Max. Rs 40,000)
- 16.14 Deduction for contribution to the National Solidarity Fund and Prime Minister's Children's Fund
- 16.15 Deduction for expenditure incurred on education and training for self (Max. Rs 50,000)

- 16.16 Relief for life insurance premium (Max. Rs 80,000)
- On joint life insurance policy with spouse, state: (i) total premium paid Rs.....
- (ii) amount claimed by you under this section Rs.....
- Enter total ➤
Rs

- 16.17 Relief for premium on personal pension scheme
- 16.18 Relief for premium on retirement annuity
- 16.19 Relief for contribution to medical scheme and for ambulance services
- Name of scheme _____
- 16.20 Total of 16.17 to 16.19 (To be claimed under 16.21)

- 16.21 Savings Relief (See below)
- Enter at 16.21
- (i) total at 16.20; or
- (ii) 20% of net income at 4.8
- whichever is the lesser.**

- 16.22 **Total personal reliefs and deductions (transfer to section 5 on page 3) ➤**