

PROCLAMATION.

BY

HIS EXCELLENCY THE HIGH COMMISSIONER.

No. 25 of 1926.—PROMULGATED 20th AUGUST, 1926.

Entitled the Bechuanaland Protectorate Income Tax Amendment Proclamation, 1926.

WHEREAS it is expedient further to amend the Bechuanaland Protectorate Income Tax Proclamation 1922 (herein after referred to as the said Proclamation) and to fix the rates of income tax to be levied in respect of the year ended on the thirtieth day of June, 1926.

Now, therefore, under and by virtue of the powers in me vested, I do hereby declare, proclaim and make known as follows:—

1. Sub-section (5) of section *seven* of the said Proclamation is hereby repealed.

2. Section *ten* of the said Proclamation is hereby repealed and the following section substituted in place thereof:—

10. (1) Income shall be deemed to have accrued to a person notwithstanding that such income has been invested, accumulated, or otherwise capitalized by him or that such income has not been actually paid over to him but has been credited in account or reinvested or accumulated or capitalized or otherwise dealt with in his name or on his behalf and a complete statement of all such income shall be included by any person in the returns rendered by him under this Proclamation.

¹Takes effect from 13th August, 1926; see H.C. Notice No. 99 of 1926.

(2) Notwithstanding anything contained in this Proclamation or any amendment thereof the provisions of the following sub-sections shall apply to the determination of the taxable income derived by any person from pastoral, agricultural, or other farming operations (herein after referred to as a farmer).

(3) Every farmer shall be entitled to the exercise of an option whether the values of live stock and produce held by him and not disposed of at the beginning and end of each year of assessment shall or shall not be taken into account in the determination of the taxable income derived by him from such operations.

(4) Subject to such adjustment as to the collector may seem to be fair and reasonable in respect of the value of any live stock or produce held by any farmer on the thirtieth day of June, 1922, or the date upon which he commenced farming operations, whichever date is the later, every farmer who elects not to take into account the values of such live stock and produce shall be chargeable in each such year of assessment in respect of all amounts whatsoever for which live stock or produce have been disposed of by him or on his behalf during that year of assessment.

(5) Every farmer making his election as in sub-section (4) provided shall furnish to the collector at any time when the collector so requires a statement setting out to the best of his knowledge and belief the value of the live stock and produce held by him on the date specified in that sub-section which is applicable to his case.

(6) The decision as to the basis upon which a farmer elects to be assessed shall be notified by him in writing to the collector when rendering his first return under this Proclamation, and the decision so notified shall be binding upon him in respect of all subsequent returns: Provided that the collector may for good and sufficient reasons and upon such terms as he may consider necessary for the protection of revenue permit any farmer, who has so notified his election, to adopt the alternative method in respect of any subsequent years of assessment.

(7) Every farmer who elects to continue to take into account the values of his live stock and produce shall include in the return rendered by him for income tax purposes the values of all live stock and produce held by him and not disposed of at the beginning and end of each year of assessment: Provided that the collector shall allow such reduction to be made from the values of live stock held by any farmer at the end of any year of assessment as may seem to him to be fair and reasonable, having regard to the risks of mortality attaching to such live stock.

(8) The value to be placed upon such live stock (other than live stock acquired by purchase for stud purposes) shall be—

- (a) in the case of live stock acquired by the farmer by purchase, either the purchase price paid or such standard value as is applicable to such live stock;
 - (b) in the case of live stock acquired by the farmer otherwise than by purchase, the standard value applicable to such live stock.
- (9) The standard value applicable to any class of live stock shall be—
- (a) such standard value as may be fixed by regulation by the High Commissioner under this Proclamation for that class of live stock;
 - (b) in the case of any farmer who may have already adopted any standard value under the provisions of sub-section (4) of section *ten* of the Bechuanaland Protectorate Income Tax Proclamation, 1922, the standard value so adopted in respect of such class of live stock; or
 - (c) in the case of any farmer rendering his first return in respect of farming operations hereafter or including in a return hereunder such a class of live stock for the first time either the standard value as fixed by regulation having effect in respect of the period for which his return is rendered or such standard value as he may adopt for that class of live stock at the option of such farmer.

(10) The exercise of the option under paragraph (c) of the last preceding sub-section shall be binding upon the farmer in respect of all subsequent returns for income tax purposes and no standard value fixed by any farmer under this Proclamation may be varied by him in respect of any subsequent

year of assessment, save with the consent and approval of the collector, and upon such terms as the collector may require.

(11) The value to be placed upon live stock acquired by purchase for stud purposes shall be the purchase price paid for that live stock.

(12) The value to be placed upon produce included in any return shall be such fair and reasonable value as the collector may fix.

(13) Any expenditure on boreholes dams and wells for water or on the erection of pumping plant incurred on or after the first day of July, 1925, by any persons carrying on pastoral operations, shall be admissible as a deduction in determining the taxable income derived by such person from those operations: Provided that it is established to the satisfaction of the collector that the expenditure was incurred in respect of those operations.

(14) Any decision of the collector under this section shall be subject to objection and appeal as provided by this Proclamation.

3. In terms of sub-section (3) of section *five* of the said Proclamation there shall be levied in respect of income (as in the said Proclamation defined) received by or accrued to or in favour of any person during the year ended the thirtieth day of June, 1926, an income tax at the following rates for each pound of taxable amount—

(a) in the case of companies, for each pound of taxable amount two shillings and sixpence; provided that in the case of companies wherein—

(i) not more than ten of the largest shareholders hold 90 per cent. of the shares; and

(ii) restrictions are imposed upon the right to transfer shares; and

(iii) no invitation has been issued to the public to subscribe for any shares or debentures,

the rate chargeable shall be that applicable to persons other than companies;

Provided further that the last preceding proviso shall not apply in the case of any company wherein not less than 90 per cent. of the shares are held by a company or companies not falling within the terms of that proviso;

Provided further that when a portion of the taxable amount of any company is due to the inclusion in the taxable income of such company of any debenture interest disallowed as a deduction in terms of paragraph (e) of sub-section (2) of section *eighteen* of Proclamation No. 70 of 1922, the rate of income tax in respect of that portion shall be two shillings for each pound of that portion;

(b) in the case of persons other than companies—

(i) when the taxable amount does not exceed twenty-four thousand pounds, for each pound of taxable amount one shilling and as many two-thousandths of a penny as there are pounds in that amount;

(ii) when the taxable amount exceeds twenty-four thousand pounds, for each pound of taxable amount, two shillings.

4. This Proclamation may be cited for all purposes as the Bechuanaland Protectorate Income Tax Amendment Proclamation, 1926, and shall have force and take effect from the date of its publication in the *Gazette*.