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THE OFFICIAL GAZETTE 29TH JANUARY, 2025
LEGAL SUPPLEMENT — C

BILL No. 2 of 2025

Wednesday 29th January, *2025*

PARLIAMENT OFFICE
Public Buildings,
Georgetown,
Guyana.

29th January, 2025.

The following Bill which will be introduced in the National Assembly is published for general information.

S.E. Isaacs,
Clerk of the National Assembly.

GUYANA

BILL No. 2 of 2025

INCOME TAX (AMENDMENT) BILL 2025

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement.
2. Amendment of section 8 of the Principal Act.
3. Amendment of section 20 of the Principal Act.
4. Amendment of section 36 of the Principal Act.
5. Amendment of section 36A of the Principal Act.
6. Amendment of section 60 of the Principal Act.

A BILL

Intituled

AN ACT to amend the Income Tax Act.

A.D.2025 Enacted by the Parliament of Guyana –

Short title and commencement. Cap. 81:01.

1. This Act, which amends the Income Tax Act, may be cited as the Income Tax (Amendment) Act 2025 and shall be deemed to have come into operation with respect to and from the year of income commencing on 1st January, 2025.

Amendment of section 8 of the Principal Act.

2. Section 8 of the Principal Act is amended in subsections (1) and (4) by substituting for the words "one million, two hundred thousand dollars" the words "one million, five hundred and sixty thousand dollars".

Amendment of section 20 of the Principal Act.

3. Section 20 of the Principal Act is amended by substituting for that section, the following –

"Deductions.

20. (1) Subject to this Act, in ascertaining the chargeable income of an individual for any year of assessment there shall be allowed the deductions of –

(a) one million five hundred and sixty thousand dollars or one third of an individual's total income from all sources excluding income subject to withholding taxes under section 39(1) (per annum) whichever is greater;

(b) one hundred and twenty thousand dollars per annum in respect of any child that a person had living at any time during the

year immediately preceding the Year of Assessment, who at the commencement of that year was under the age of eighteen and includes any child born within that year, provided that such deductions shall not exceed ten thousand dollars monthly per child and shall be apportioned according to the person's earning period and allowed accordingly;

(c) six hundred thousand dollars of income earned from a second job per annum provided that such deduction shall not exceed fifty thousand dollars monthly and shall be apportioned according to the individual's earning period and allowed accordingly;

(d) six hundred thousand dollars of income earned for overtime work beyond normal working hours per annum provided that such deduction shall not exceed fifty thousand dollars monthly and such deductions shall be apportioned according to the individual's earning period and allowed accordingly.

(2) Where more than one person is entitled to the deductions under subsection (1)(b) the persons shall elect for one of them to receive the deductions:

Provided that where there is a failure to make such an election, the person who has physical or legal custody of the child may claim the deduction on the provision of suitable evidence to the satisfaction of the Commissioner General.

(3) In this section –

"child" includes a stepchild, a child adopted by law or a child of the family within the meaning of the Family and Dependants Provision Act;

Cap. 12:24.

"person" includes a mother, father, stepmother or stepfather, adoptive parents, guardian and any person who has treated a child as a child of the family.

Amendment of section 36 of the Principal Act.

4. Section 36 of the Principal Act is amended as follows –

(a) by substituting for the words "twenty eight percent" the words "twenty five percent"; and

(b) by substituting for the words "two million four hundred thousand dollars" the words "three million one hundred and twenty thousand dollars".

Amendment of section 36A of the Principal Act.

5. Section 36A of the Principal Act is amended as follows –

(a) by substituting for the words "two million four hundred thousand dollars" the words "three million one hundred and twenty thousand dollars"; and

(b) by substituting for the words "forty percent" the words "thirty five percent".

Amendment of Section 60 of the Principal Act.

6. Section 60(1)(a) of the Principal Act is amended by substituting for the words "one million two hundred thousand dollars" the words "one million five hundred and sixty thousand dollars".

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Income Tax Act, **Cap. 81:01.**

Clause 2 of the Bill seeks to amend sections 8 (1) and (4) of the Principal Act to increase the income tax threshold from one million two hundred thousand dollars per annum to one million five hundred and sixty thousand dollars per annum.

Clause 3 seeks to amend the Principal Act by substituting for the current section 20, a new section 20. This amendment provides for:

(a) an increase in the annual threshold deduction from one million two hundred thousand or one third of an individual's total income from all sources to one million, five hundred and sixty thousand dollars or one third of an individual's total income from all sources;

(b) for one parent to be allowed to claim for each child ten thousand dollars monthly of their income as non-taxable;

(c) for those individuals who have a second job in addition to their full-time primary job, the first fifty thousand dollars of income earned monthly from their second job would be non-taxable; and

(d) individuals who earn overtime for work beyond their normal working hours to be allowed the first fifty-thousand dollars of their overtime non-taxable.

Clause 4 seeks to amend section 36 of the Principal Act to provide for the reduction of the personal income tax rate from twenty-eight percent per annum to twenty-five percent per annum, and increase the income tax band from two million four hundred thousand dollars per annum to three million one hundred and twenty thousand dollars per annum.

Clause 5 seeks to amend section 36A of the Principal Act to make provision for the reduction of the personal income tax rate from forty percent per annum to thirty-five percent per annum to be applied on the incomes of individuals in excess of three million one hundred and twenty thousand dollars per annum.

Clause 6 seeks to amend section 60 of the Principal Act to increase the income tax threshold from one million two hundred thousand dollars per annum to one million five hundred and sixty thousand dollars per annum.



Hon. Dr. Ashni K. Singh, M.P.
Minister in the Office of the President
with Responsibility for Finance and the Public Service