

**THE INCOME TAX (CONSOLIDATION) (AMENDMENT)
ACT, 1971**

No. 11



of 1971

ARRANGEMENT OF SECTIONS

SECTION

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AN ACT TO AMEND THE INCOME TAX (CONSOLIDATION) PROCLAMATION, 1959.

Date of Assent: 28.4.1971

Date of Commencement: 7.5.1971

ENACTED by the Parliament of Botswana.

Short title.

1. This Act may be cited as the Income Tax (Consolidation) (Amendment) Act, 1971.

Amendment
of section 2 of
Proclamation
81 of 1959.

2. Section 2 of the Income Tax (Consolidation) Proclamation, 1959, hereinafter referred to as the principal law, is amended by the insertion therein in their appropriate alphabetical position of the following new definitions –

““building society” means a building society registered under section 10 or 72 of the Building Societies Proclamation, 1961;”

““subscription share” means a share which –

- (a) is paid for by periodical subscriptions; and
- (b) is calculated to mature at the expiry of a period of not less than three years;”.

Amendment
of section 8 of
Proclamation
81 of 1959

3. Section 8 of the principal law is amended by the insertion immediately after subsection (1) thereof of a new subsection as follows –

“(1A)(a) In the case of a taxpayer to whom income is, under section 10 (2), deemed to have accrued as being remuneration received by or accrued to his wife the tax payable under section 6 shall be reduced by R46 (or, where the wife has been employed for less than twelve months such sum as is in the same proportion to R46 as the number of months which the wife has been employed is to 12 months) or the tax payable on the remuneration of his wife whichever is the lesser.

(b) For the purposes of this subsection –

- (i) “remuneration” means remuneration as defined in paragraph 1 of the Second Schedule derived from employment by an employer other than her husband; and
- (ii) the amount of tax payable on the wife’s remuneration shall be calculated by reference to the highest rate or rates of tax applicable to the husband’s taxable income.”

4. Section 11 (1) of the principal law is amended as follows –

- (i) in paragraph (i) thereof by the deletion of the words “and any amount credited as interest in respect of any contributory share, but not in respect of any amounts paid or credited on any paid-up share in any building society”; in paragraph (m) thereof by the deletion of the word “paid” appearing therein and by the substitution therefor of the word “payable”; and
- (iii) by the addition immediately after paragraph (o) thereof of two new paragraphs as follows –

- “(p) any amount received or accrued as interest in respect of any subscription share issued in Botswana of any building society;
- (q) any amount received or accrued as dividends on ordinary indefinite period shares issued in Botswana of any building society: and

Provided that this exemption shall not apply –

- (ii) in respect of any such dividend which becomes payable by a building society after the expiration of

Amendment
of section 11
of Proclama-
tion 81 of
1959.

a period of five years reckoned from the date of the application to the building society concerned for the shares on which such dividend is payable; or

- (ii) in respect of any dividend on any such shares for which application is made to a building society on or after the date notified in the Gazette by the Minister responsible for finance.

5. Section 13 of the principal law is amended as follows –

- (i) in subsection (1) (q) by the deletion of the words “two hundred rand” appearing therein and by the substitution therefor of the figures “R400”; and

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of section 13
of Proclama-
tion 81 of
1959.

- (ii) by the insertion immediately after subsection (1) thereof of a new subsection as follows –

“(1A)(a) For the purpose of ascertaining the taxable income of any public company there shall be deducted from the income of the company an amount equal to 125 per centum of expenditure incurred by the company on –

- (i) approved education (other than primary or secondary education) or training of any person who is a citizen of Botswana and who is employed by or bonded to the company at an approved educational, professional or vocational training establishment;
- (ii) the employment in Botswana of an approved officer engaged full time in approved vocational training of citizens of Botswana:

Provided that no deduction shall be made under subsection (1) in respect of expenditure qualifying for deduction under this subsection.

- (b) For the purposes of this subsection “approved” shall mean approved by the Minister of Education and the Minister of Health, Labour and Home Affairs.”

Application. **6. (1)** The provisions of section 3 and 5 shall not apply to any year of assessment prior to the year of assessment ending on the 30th June, 1972.

(2) The provisions of section 4 shall not apply to any year of assessment prior to the year of assessment ending on the 30th June, 1971.

Passed by the National Assembly this day, the 1st April, 1971.

G. T. MATENGE,
Clerk of the National Assembly.