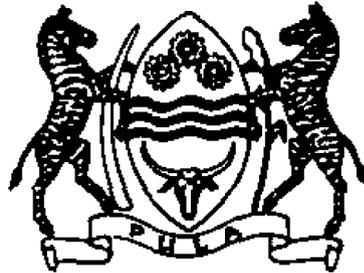


# INCOME TAX (AMENDMENT) ACT, 1986

No. 7



of 1986

## ARRANGEMENT OF SECTIONS

### SECTION

1. Short title
2. Amendment of section 34 of Cap. 52:01

### **An Act to amend the Income Tax Act.**

*Date of Assent:* 5.5.86

*Date of Commencement:* 1.4.86

ENACTED by the Parliament of Botswana.

1. (1). This Act may be cited as the Income Tax (Amendment) Act, 1986. Short title

(2). This Act shall be deemed to have come into force on the 1st day of April, 1986.

2. Subsection (2) of section 34 of the Income Tax Act is hereby substituted by the following new section — Amendment of section 34 of Cap. 52:01

“(2) The gross income of any person shall include one half of the excess over one third (or such other proportion as the Minister may from time to time, by order, prescribe) of —

- (a) so much as exceeds one quarter of any lump sum payment from an approved superannuation fund;
- (b) so much of any payment representing the commutation of a pension or annuity from an approved superannuation fund or a retirement annuity insurance as exceeds twelve and a half times one quarter of the annual pension or annuity before commutation;
- (c) a return of contributions paid by him to an approved superannuation fund; or
- (d) the surrender value of a policy which is ceded or otherwise made to or in favour of him by an approved superannuation fund, and such

amounts shall be deemed to have accrued in three successive equal annual instalments, the last of such instalments being

deemed to have accrued on the date on which the amounts became due and payable or the policy was ceded to him:

Provided that —

- (i) this subsection shall not apply where, during the same tax year, any such amount or policy of insurance is transferred to another approved superannuation fund other than as a current contribution thereto; and
  - (ii) where, in respect of past contributions made partly as a resident and partly as a non-resident, a person becomes entitled to an amount to which this subsection applies, only such part thereof as, in the opinion of the Commissioner, is reasonable shall be deemed to have accrued in Botswana”.
- (2) By adding the following new subsection to section 34 —
- “(3) Where a payment under a life insurance policy is made within five years from the commencement date of the insurance, as a result of the occurrence of an act, other than death, giving rise to benefits under the policy, six-tenths of the amount paid or payable shall be included in the gross income of that person for the tax year in which the amount becomes due and payable.”.

PASSED by the National Assembly this 17th day of April, 1986.

C.G. MOKOBI,  
*Clerk of the National Assembly.*