

1975-8. (3) The difference between the gross amount obtained under subsection (2) in respect of a dividend paid to a shareholder mentioned in that subsection and the net amount of the dividend paid to such shareholder shall be deemed to be an amount of tax paid by that shareholder in respect of the income year of the shareholder in which the dividend was paid.

1975-8. (4) Every resident company shall withhold or deduct an amount <sup>1985-6.</sup> equal to 15 per cent thereof from any amount paid by it as dividends, <sup>1998-42.</sup> other than dividends, referred to in sub-paragraph (iv) of section 64(1)(e)

dividends or other distribution paid by a mutual fund in respect of shares, unit or other equity interest held in that mutual fund and preference dividends, to a non-resident person and shall within such time as is prescribed pay the amount so withheld or deducted to the Commissioner as payment in full of the tax, in respect of the income represented by the dividend, of that non-resident person.

1992-28. (4A) Every resident company shall withhold or deduct an amount <sup>1993-8.</sup> equal to 12.5 per cent thereof from any amount paid by it as dividends other than preference dividends, to a resident individual and shall within such time as is prescribed, pay the amount so withheld or deducted to the Commissioner.

1992-28. (4B) Subsection (4A) shall not apply to dividends to the extent that they can have been paid only out of profits which the company paying the dividends earned or out of other income which the company received before the 1st day of July, 1992.

1996-30. (4C) Subsection (4A) shall not apply to dividends where the shares in respect of which the payment is made are issued to the taxpayer *in lieu* of a dividend payment and are retained by the shareholder for a period of not less than 5 years from the date of ownership.

1998-43. (4D) Subsection (4A) shall not apply to dividends paid by the <sup>1999-22.</sup> Hotel Equity Investment Fund Inc.

□.(5) Where in respect of the income year 1976 and every subsequent <sup>1977-16.</sup> income year an office, branch or agency of a non-resident company engaged in trade or business in Barbados remits or is deemed to remit any part of the profits of such non-resident company accruing in or derived from Barbados, such office, branch or agency shall deduct or withhold therefrom an amount equal to 10 per cent thereof and shall within such time as is prescribed pay the amount so deducted or withheld to the Commissioner.

□.(6) For the purposes of subsection (5) an office, branch or agency <sup>1977-16.</sup> of a non-resident company shall be deemed to have remitted the profits thereof except to the extent that the office, branch or agency has re-invested to the satisfaction of the Commissioner such profits or any part thereof in Barbados, other than in the replacement of fixed assets.

□.(7) For the purposes of subsections (5) and (6) "profits" means <sup>1977-16.</sup> profits after the payment of any income tax or corporation tax.

□.(8) Subsection (5) shall not apply to an office, branch or agency of <sup>2003-11.</sup> an exempt insurance company.

**65A.** (1) In respect of the income year 1987 and every subsequent <sup>Tax credit.</sup> 1987-26. income year where a resident company pays a dividend other than a preference dividend to a resident shareholder, the recipient of the dividend is entitled to a tax credit at the rate of 15 per cent of the amount of the dividend.

(2) In computing the assessable income of a shareholder for the <sup>1984-9.</sup> 1987-26. purposes of this section, the amount of cash dividends and the value of the tax credit are to be included.

(3) A shareholder who is entitled to a tax credit under this section <sup>1984-9.</sup> 1987-26. may claim to have the tax credit set off against the income tax payable on his income under this Act in respect of the income year in which dividends are paid and, where the tax credit exceeds the income tax payable, to have the excess paid to him.

(4) This section applies to a shareholder who is <sup>1987-26.</sup>  
 (a) an individual;

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(b) a separate trust established for the purpose of administering the funds of a registered retirement plan and exclusively engaged in administering such funds; or  
 (c) a person deemed to be a separate person carrying on as a life insurance company, a separate business classified as a registered retirement plan under section 19.

<sup>1992-28.</sup> (5) This section does not apply to dividends referred to in section 65(4A).

<sup>Exemptions</sup> **65B.** In respect of income year 1998 and subsequent income years, <sup>in respect of</sup> the following provisions of this Act shall not apply in respect of  
qualifying

insurance payments made by a qualifying insurance company:  
companies.

<sup>1998-31.</sup> (a) section 64(1), sub-paragraphs (i) to (vii);

(b) section 64(1A);  
 (c) section 64(1B);  
 (d) section 64E(1);

<sup>2003-11.</sup> (e) section 65(4);

<sup>2003-11.</sup> (f) section 65(5).

<sup>Tax credit:</sup> **65C.** (1) Where a life insurance company has in any income year <sup>insurance</sup> invested an amount of money in the Hotel Equity Investment Fund Inc.,  
companies.

<sup>1998-43.</sup> then that company shall be entitled to a tax credit at the rate of 48 per <sup>1999-22.</sup> cent of the amount invested in the Fund but the tax credit shall not

exceed \$480 000 per annum.

.(2) Where a person withdraws any amount of the investment made under subsection (1) within 5 years of the making of the investment, the amount so withdrawn shall be brought back into charge to tax in the year in which the withdrawal was made.

.(3) The amount of any unused credit

.(a) subject to the provisions of Division K, shall be used to reduce the tax payable by any subsidiary within the corporate group; or

(b) shall be carried forward for a period of 9 years,

but no cash refund shall be allowed.

(4) This section shall not apply to premium tax.

**65D.** (1) With effect from income year 1998, where any employed Reverse  
tax credit.

individual

1998-43. 1999-22.

.(a) who is resident in Barbados; and

.(b) who earns less than \$13 000 annually but not more than \$1 084 monthly,

applies to the Commissioner in such form as the Commissioner approves, within 2 years of the income year in which the earnings were paid, that person shall be entitled to a credit of \$500.

.(2) Subsection (1) shall not apply

.(a) to self-employed persons,

.(b) to directors of companies that are controlled by 5 or less persons,

.(c) to beneficiaries of a trust or an estate within the meaning of section 40, or

.(d) in respect of earnings payable to the estate of a deceased person.