



**No. 16 of 2008**

**I assent,**

**(SIR COLVILLE N. YOUNG)**

*Governor-General*

30th December, 2008

**AN ACT to amend the Income and Business Tax Act, Chapter 55 of the Laws of Belize, Revised Edition 2000-2003, to revise and rationalise the rates of business tax set out in the Ninth Schedule to the Act; to provide for a withholding tax on royalties and commissions paid to non-residents; and to provide for matters connected therewith or incidental thereto.**

*(Gazetted 31st December, 2008.)*

***BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same, as follows:—***

1. This Act may be cited as the

Short title.

**INCOME AND BUSINESS TAX**  
**(AMENDMENT) (NO. 2) ACT, 2008,**

CAP. 55.

Act No. 3/01  
3/04  
6/05  
14/05  
10/06  
12/08.

and shall be read and construed as one with the Income and Business Tax Act, which, as amended, is hereinafter referred to as the principal Act.

Amendment  
of section  
109.

2. Section 109 of the principal Act is hereby amended in subsection (3) thereof by adding the words "or part thereof" at the end of that subsection.

Amendment  
of section  
112.

3. Section 112 of the principal Act [relating to withholding tax on gross contract payments] is hereby amended in subsection (6) thereof by adding the following words at the end of that subsection:—

“and in addition shall be liable to a penalty of ten per centum of the amount not so withheld and remitted to the Commissioner.”

Amendment  
of section  
113.

4. Section 113 of the principal Act is hereby amended as follows:—

(i) by adding the following new subsection (3a) immediately after subsection (3):—

“(3a) Every person who pays any royalty or commission to a non-resident shall deduct therefrom tax at the rate of fifteen per cent of such payment and shall forthwith render an account and remit the tax so deducted to the Commissioner and every such amount shall be a debt owing from him to the Government and shall be recoverable as such.”;

(ii) **in subsection (5)**, by substituting the words and figures “**subsections (1), (2), (3), (3a) and (4)**” for the words and figures “subsections (1), (2), (3) and (4)” occurring therein.

Repeal and  
replacement  
of Ninth  
Schedule.

5. The Ninth Schedule to the principal Act is hereby repealed and replaced by the Schedule to this Act captioned “**Ninth Schedule**”.

Commencement.

6. This Act shall come into force on the **1<sup>st</sup> January 2009**.

NINTH SCHEDULE  
[Sections 107, 111(3), 113(2)]

18 of 1998  
7 of 1999  
3/04  
14/05.

- (a) Receipts from radio, on-air television and newspaper business ..... 0.75%
- (b) Receipts from domestic air line business ..... 1.75%
- (c) (i) Receipts of service stations from the sale of fuel ..... 0.75% 14/05.
- (ii) Receipts of service stations from the sale of all other items ..... 1.75% 14/05.
- (d) Receipts from other trade or business ..... 1.75% 7 of 1999.
- (e) Rents, royalties, premiums and any other receipts from real property (excluding the receipts from Real Estate Business) ..... 3% 3 of 2004.
- (f) Receipts from a profession, vocation or occupation ..... 6% 7 of 1999.
- (g) Receipts of an insurance company licensed under the Insurance Act ..... 1.75% 11/04.
- (h) Commissions, royalties, discounts, dividends, winnings from lotteries, slot machines and table games ..... 15% 3 of 2004  
7 of 1999.
- Provided that in the case of commissions of less than \$25,000.00 per annum, the rate shall be ..... 5% 7 of 1999.
- (i) Interest on loans paid to non-residents ..... 15%
- (j) Receipts of a financial institution licensed under the Banks and Financial Institutions Act ..... 15% 7 of 1999  
CAP. 263.

- Provided that in the case of a financial institution which falls within a “PIC Group” as defined in the International Business Companies Act, the rate shall be ..... **12%**
- CAP. 270.
- Provided further that in the case of a unit trust governed by the Banks and Financial Institutions (Unit Trusts) Regulations, the rate shall be ..... **6%**
- S.I. 142/02.
- (k) Management fees, rental of plant and equipment and charges for technical services—
- (i) if paid to a non-resident ..... 25%
- (ii) if paid to a resident ..... the rate applicable to the particular trade, business, profession, vocation or occupation of the payee.
- (l) Receipts of entities providing telecommunication services ..... **24.5%**
- (m) Gross earnings of casinos or licensed gaming premises or premises where the number of gaming machines is more than 50 ..... 15%
- (n) Gross earnings from **real estate business** as follows:—
- (a) Real estate brokers and agents, earning commissions ..... 15%
- (b) Real estate sales, developers, condominium owners and fractional interests ..... **1.75%**
- (c) Long Term Leases ..... **1.75%**
- (d) Time Share Operators ..... **1.75%**
- (e) Share Transfer Sales ..... **1.75%**