
EXTRAORDINARY CONTRIBUTION (AMENDMENT) ORDINANCE 2013

An Ordinance to amend the Extraordinary Contribution Ordinance 2012

R. J. CRIPWELL
ADMINISTRATOR

29th July 2013.

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

1. Short title, commencement and expiry

- (1) This Ordinance may be cited as the Extraordinary Contribution (Amendment) Ordinance 2013 and comes into force on the day after it is published in the Gazette.
- (2) This Ordinance expires on 31 December 2016.

2. Amendments to Extraordinary Contribution Ordinance 2012

The Extraordinary Contribution Ordinance 2012(a) is amended in accordance with sections 3 to 6.

3. Amendment to section 1: expiry

In section 1(3) for “2013” substitute “2016”.

4. Amendment to section 2: interpretation

In section 2(1) insert in the appropriate alphabetic place—

““tax year” has the same meaning as in section 2 of the ITO(b).”.

5. Amendment to section 5: amount of extraordinary contribution; general

Section 5 is amended as follows—

- (a) in subsection (1) for “table” substitute “tables”;
- (b) at the beginning of subsection (2) before “The rates” insert “In the tax years of 2012 and 2013”;

(c) after subsection 2 insert—

“(2A) In the tax years of 2014 to 2016 the rates at which the amount of extraordinary contribution is determined are as follows—

Monthly gross emoluments	Rate of extraordinary contribution
Proportion of emoluments up to €1,500	Nil
Proportion of emoluments over €1,500 and up to €2,500	2.5%, subject to a minimum of €10
Proportion of emoluments over €2,500 and up to €3,500	3%
All emoluments over €3,500	3.5%

”.

6. Amendment to section 6: amount of extraordinary contribution; Crown employees etc

Section 6 is amended as follows—

- (a) in subsection (2) for “table” substitute “tables”;
- (b) at the beginning of subsection (3) before “The rates” insert “In the tax years of 2012 and 2013”;
- (c) in the second column of the table in subsection (3) after 1.25% insert “, subject to a minimum of €5”;
- (d) after subsection 3 insert—

“(3A) In the tax years 2014 to 2016 the rates at which the amount of extraordinary contribution is determined are as follows—

Monthly gross emoluments	Rate of extraordinary contribution
Proportion of emoluments up to €1,500	Nil
Proportion of emoluments over €1,500 and up to €2,500	1.25%, subject to a minimum of €5
Proportion of emoluments over €2,500 and up to €3,500	1.5%
All emoluments over €3,500	1.75%

”.

7. Consequential amendment to Income Tax (Deduction of Tax from Salaries and Pensions) Regulations 2012

In regulation 12(1) of the Income Tax (Deduction of Tax from Salaries and Pensions) Regulations 2012(c) for “and 2013” substitute “to 2016”.

Notes

(a) Ordinance 7/2012.

(b) ITO is defined in the Extraordinary Contribution Ordinance 2012 as the Income Tax Ordinance 2003 (Ord. 29/2003).

(c) P.I. 27/2012.

EXPLANATORY NOTE

(This note is not part of the Ordinance)

Introduction

1. This explanatory note relates to the Extraordinary Contribution (Amendment) Ordinance 2013. It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.

Particular points

2. The purpose of this Ordinance is to amend the Extraordinary Contribution Ordinance 2012 (the “principal Ordinance”). It extends payment of extraordinary contribution on salaries and pensions until 31 December 2016. In the tax years of 2014 to 2016 extraordinary contribution is payable where gross salary is above €1,500 per month (the threshold in 2012 and 2013 is where gross salary is above €2,500 per month), and the amount of extraordinary contribution is increased. The amendments mirror those made by the Republic in Law Number 183(I)/2012 relating to payment of extraordinary contribution by employers, employees and pensioners in the private sector, and make special provision for payment of extraordinary contribution by employees of the Crown in the Areas.

3. Section 5 inserts a new table of rates of extraordinary contribution payable by employers and employees in the private sector in the tax years 2014 to 2016. These are the same as the rates payable in the private sector in the Republic. The principal Ordinance provides that 50% of the amount of the contribution is payable by employers and 50% by employees.

4. Section 6 inserts a new table of rates of extraordinary contribution payable by Crown employees in the tax years of 2014 to 2016. These are 50% of the rates payable in the private sector and no contribution is paid by the Crown as employer. The effect of this provision is that employees of the Crown pay the same amount of contribution as employees in the private sector.

5. Section 7 makes a consequential amendment to the Income Tax (Deduction of Tax from Salaries and Pensions) Regulations 2012 providing authority for deduction of extraordinary contribution from the salary of employees until 31 December 2016.

