

CLARIFICATION ON MINISTRY PAPER #11/2000 DATED 6/4/2000

II RESTRICTING INCOME TAX RELIEF ON GRATUITY PAYMENTS

In addition to the conditions set out in The Income Tax (Income from Approved Gratuity Scheme) (Exemption) Order, 1992 the following conditions shall apply:

- (i) maximum non-taxable benefit to any individual should not exceed \$125,000 p.a.
- (ii) persons with taxable income in excess of \$500,000 would not benefit from tax relief on gratuity payments.

V Dividends

The income tax payable in respect of ~~ordinary~~ dividends paid by a company listed on the Jamaica Stock Exchange will be as follows:

- o Effective June 1, 2000, the tax payable on dividend income paid after the effective date, will be computed at the rate of 20%.
- o Effective April 1, 2001, the tax payable on dividend income, paid as from April 1, 2001, will be computed at the rate of 10%.
- o Effective April 1, 2002, the tax payable on dividend income, paid as from April 2002, will be computed at a zero rate of tax.

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