

No. 215. THE INCOME TAX LAWS, 1941 TO 1950.

CONDITIONS FOR EXEMPTION UNDER SECTION 8 (n).

A. B. WRIGHT,
Governor.

In exercise of the powers vested in me by paragraph (n) of section 8 of the Income Tax Laws, 1941 to 1950, I, the Governor, with the advice of the Executive Council, do hereby direct that the following conditions shall be imposed and shall be observed in connection with any claim made for the exemption from income tax under the said paragraph of the said section :—

1. The rules of the body of persons shall provide that :—
 - (a) its only purpose is the promotion of art, science or sport ;
 - (b) its activities shall be confined solely to those of an artistic, scientific or sporting nature ;
 - (c) no part of its income shall be applied for any purpose other than the aforesaid activities ;
 - (d) no part of its funds, after settlement of all its liabilities, shall, in any circumstances, be returned to any of its members.

2. For any year of assessment in respect of which the body of persons desires to claim exemption it shall apply in writing to the Commissioner (of Income Tax) within twelve months from the end of such year of assessment and such application shall be accompanied by a certificate signed by the Commissioner of the District concerned that to the best of his knowledge and belief the applicant has been exclusively concerned during the year immediately preceding the year of assessment with activities as defined in paragraph 1.

3. The Commissioner (of Income Tax) shall not grant the exemption unless the applicant satisfies him that during the year immediately preceding the year of assessment no part of the funds of the applicant has been expended on any activities other than those defined in paragraph 1: Provided that if the Commissioner (of Income Tax) refuses exemption on the ground that although each item of expenditure and the nature thereof has been established to his satisfaction he is of the opinion that a particular item or items of such expenditure has or have been incurred on activities other than those hereinbefore defined, the applicant may within thirty days from the date of the refusal of the Commissioner (of Income Tax) to grant the exemption, appeal against such decision to the Governor whose decision thereon shall be final and conclusive.

4. The Commissioner (of Income Tax) shall in no case grant exemption where more than one-tenth of the gross income (before deduction of expenses) of the body of persons during the year immediately preceding the year of assessment was received from the profits derived from any sweepstake or pari-mutuel approved by the Governor under section 18 (c) of the Betting Houses, Gaming Houses, Lotteries and Gambling Prevention Law, 1947.

Made this 7th day of June 1950.

D. A. SHEPHERD,
Clerk of the Executive Council.
(M.P. 1583/39/5.)