

COOK ISLANDS

INCOME TAX (SPONSORSHIP DEDUCTIONS) AMENDMENT ACT

ANALYSIS

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3. Allowable Deductions in respect of sponsorship payments for the 2009 Pacific Mini games and 2009 World Youth Netball Championships

2009, No. 7

An Act to amend the Income Tax Act 1997 to provide for allowable deduction in respect of sponsorship payments for the 2009 Pacific Mini Games and the 2009 World Youth Netball Championships

(20 March 2009)

BE IT ENACTED by the Parliament of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1. Short title - (1) This Act may be cited as the Income Tax (Sponsorship Deductions) Amendment Act 2009, and shall be read with and form part of the Income Tax Act 1997 ("the Principal Act").

2. Interpretation - In this Act unless the context otherwise requires –

"2009 Pacific Mini Games Limited" is a duly incorporated company of the Cook Islands incorporated to facilitate the 2009 Pacific Mini Games;

"World Youth Netball Championships 2009 Limited" is a duly incorporated company of the Cook Islands incorporated to facilitate the 2009 World Youth Netball Championships;

"the Games" means the 2009 Pacific Mini Games; and

"the Championships" means the 2009 World Youth Netball Championships.

3. Allowable Deductions in respect sponsorship of the 2009 Pacific Mini Games and 2009 World Youth Netball Championships - (1) The Principal Act is amended by inserting the following section after section 234 –

"235 - Allowable Deductions in respect of sponsorship of the 2009 Pacific Mini Games and 2009 World Youth Netball Championships - (1) Every taxpayer shall be entitled to a deduction at the rate of 200% of, the amount of any sum expended or, the value of goods or services provided, by way of sponsorship made by the

taxpayer to 2009 Pacific Mini Games Limited in support of the Games or to World Youth Netball Championships 2009 Limited in support of the Championships.

(2) To qualify for a deduction under subsection (1) an amount expended must be –

(a) paid into an account approved by notice in writing by the Financial Secretary of the Ministry of Finance and Economic Management and either the Chief Executive Officer of 2009 Pacific Mini Games Limited or the Chief Executive Officer of World Youth Netball Championships 2009 Limited; and

(b) paid into the said account on or before 31 December 2009; and

(c) an amount not less than \$50,000.

(3) To qualify for a deduction under subsection (1) goods or services provided must be –

(a) provided pursuant to a properly executed sponsorship agreement between the taxpayer and 2009 Pacific Mini Games Limited or World Youth Netball Championships 2009 Limited; and

(b) be at a value agreed by 2009 Pacific Mini Games Limited or World Youth Netball Championships 2009 Limited, in accordance with the sponsorship agreement, of not less than \$50,000; and

(c) provided to 2009 Pacific Mini Games Limited or World Youth Netball Championships 2009 Limited on or before 31 December 2009;

(4) No deduction is allowable under any other provision of this Act where a taxpayer qualifies for a deduction under this section."

This Act is administered by Revenue Management Division