

Gibraltar Tax Tables: Year Ending 30 June 2012

Personal Income Tax

Individuals can opt to be taxed under one of two systems, whichever is most advantageous.

(i) Allowances Based System

Tax is calculated on net taxable income, after being reduced by allowances and deductibles:

First £4,000	17%
£4,001 to £16,000	30%
Over £16,000	40%

A tax credit of £300, or 2% of the resultant tax liability (whichever is greater) is then applied. Various allowances for self, spouse, family and dependants may be claimed.

Key deductible items include:

Home purchase:	£15,500 (max in total)
Mortgage interest:	for loans to £300,000
Life assurance:	subject to conditions
Medical insurance:	max £1,120
Pensions	Lower of 20% of earnings or £35,000

(ii) Gross Income Based System

Tax is calculated on gross assessable income:

First £17,000*	16%
£17,001 to £25,000*	19%
£25,001 to £40,000	25%
£40,001 to £105,000	28%
£105,001 to £500,000	25%
£500,001 to £700,000	18%
£700,001 to £1M	10%
Over £1M	5%

* However, individuals with gross assessable income not exceeding £25,000 pay at 6% on the first £10,000, 20% on the next £7,000 and the balance at 28%.

Special Tax Status for Individuals

Available for applicants satisfying the various eligibility criteria and subject to the rental or purchase of an approved residential property.

(i) High Net Worth Individuals (Category 2)

Persons with net wealth of £2M+ can apply to pay tax only on their first £80,000 of taxable income, equivalent to tax of less than £30,000, but subject to a minimum of £22,000.

(ii) High Executive Possessing Specialist Skills status ("HEPSS")

Relocating executives with relevant skills pay tax only on the first £120,000 of their assessable income (maximum tax £30,000). A minimum salary of £100,000 is required.

Exempt & Non Taxable Income

- Investment interest, dividends and royalties
- Occupational pension income is taxed at 0% for persons aged 60 and over.

Capital Gains Tax - none

Inheritance, Estate & Wealth Taxes - none

Value Added Tax - none

Withholding Taxes - none

Stamp Duty on Real Estate

Purchase Price	Rate
To £200,000	Nil
From £200,001 to £350,000	2.0% on first £250,000 5.5% on balance
Over £350,000	3.0% on first £350,000 3.5% on balance

Company Income Tax

10% standard rate. Tax is charged only on income "accrued in or derived from" Gibraltar.

Notice: This note provides general information on the Gibraltar tax system which may be of interest. It is not intended to be comprehensive and should not be construed as professional advice. Figures are based on the Budget of 4 July 2011 and are subject to legislative approval.