

May 25, 2017

NEWS RELEASE

FOR IMMEDIATE RELEASE

Income Tax threshold to be increased effective July 1, 2016

Legislation has now been amended to bring into law, the increase in the income tax threshold of \$407,492 from \$592,800 to \$1,000,272, effective July 1, 2016. This change will positively impact employed and self-employed individuals as well as pensioners.

The new July 1 threshold of \$1,000,272 will result in an effective threshold of \$796,536 for the year of assessment 2016 as follows:-

Period	Threshold (\$)
January 1, 2016 to June 30, 2016	296,400 (592,800 ÷ 12 x 6)
July 1, 2016 to December 31, 2016	500,136 (1,000,272 ÷ 12 x 6)
Total	\$796,536

Pay Periods	Weekly \$	Fortnightly \$	Monthly \$
January to June 2016	11,400	22,800	49,400
July to December 2016	19,236	38,472	83,356

Individuals who earned in excess of \$592,800 but less than \$796,536, from which income tax was deducted, may, **before December 31, 2016**, have the tax paid/deducted refunded by their employers. Persons earning \$796,536 or less will pay no income tax.

Also to come into effect is an increase of 5% in the income tax rate on statutory income in excess of \$6,000,000. Statutory income as defined in the Income Tax Act means (subject to section 6) "the aggregate amount of income of any person from all sources remaining after allowing, the appropriate deductions and exemptions under the Act". Individuals whose statutory income exceeds \$6,000,000 will be required to pay tax at the rate 30% on statutory income in excess of \$6,000,000. For the first \$6,000,000 of statutory income, the rate of 25% will be applied and on statutory income in excess of \$6,000,000, the tax rate of 30% will be applied. The table below gives a breakdown of the new rate threshold and rate:-

Income \$	Rate of Tax %
0 - 796,536	0
796,537 - 6,000,000	25
Above 6,000,000	30

Effective April 1, 2017, there will be another increase in the threshold from \$1,000,272 to \$1,500,096. This adjustment will result in an additional increase of \$499,824. The effective threshold for the year of assessment 2017 will therefore be \$1,375,140. The full threshold of \$1,500,096 will become effective on January 1, 2018.

These changes were announced by the Minister of Finance & the Public Service on Thursday May 12, 2016, and form part of the Revenue Measures for the 2016/17 fiscal year.

Persons may contact the TAJ Customer Care Centre at 1-888-Tax-Help (1-888-829-4357) toll-free for further information or assistance.

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