



States of Guernsey
Revenue Service

An extract from Income Tax (Guernsey) Law, 1975

Section 39C

Effect of tax cap on credits and repayments

(1) Where in any year of charge –

- (a) the amount of income tax payable by an individual is, by virtue of section 39B, limited as set out in the Sixth Schedule, and
- (b) the individual receives a distribution from a company consisting of income which –
 - (i) arose or accrued to the company in a year of charge before 2008, and
 - (ii) in the individual's hands carries a credit for tax paid or deemed to have been paid by the company,

then the following provisions have effect.

- (2) Without prejudice to his entitlement to the credit, the individual is not entitled to any repayment of tax in respect of that credit.
- (3) For the purpose of calculating –
 - (a) the amount of credit due to the individual in that year of charge, and
 - (b) the amount (if any) of any repayment of tax due to him in that year of charge,

there shall be taken into account, before taking into account the amount of the company's distribution, the amount of any other income of any different class, description or source arising or accruing to the individual in that year of charge from which tax has been deducted or in respect of which tax has already been paid.