

SCHEDULES.

FOURTH SCHEDULE

Section 21.

AGREEMENT MADE THE 25TH DAY OF APRIL, 1928, BETWEEN THE
BRITISH GOVERNMENT AND THE GOVERNMENT OF THE IRISH FREE STATE
AMENDING THE AGREEMENT MADE ON THE 14TH DAY OF APRIL, 1926,
BETWEEN THE SAID GOVERNMENTS IN RESPECT OF DOUBLE INCOME TAX

With a view to making such alterations in the Agreement made the 14th April 1926, between the British Government and the Government of the Irish Free State in respect of Double Income Tax as may be necessary in consequence of the alterations in the British Income Tax Acts effected by the British Finance Act, 1927, and of the alterations contemplated in the Irish Free State Income Tax Acts, it is hereby agreed between the said Governments that the said Agreement shall be amended as follows:—

- “1 (a) In Article 1 (a) of the said Agreement the words " British income tax " shall as respects the year 1928-29 and any subsequent year be construed as meaning British income tax charged or chargeable at the standard rate and the expression " British super-tax " shall for the year 1928-29 include British sur-tax and shall for subsequent years mean British sur-tax.
- (b) In Article 1 (b) of the said Agreement the expression " Irish Free State super-tax " shall for the year 1928-29 include Irish Free State sur-tax and shall for subsequent years mean Irish Free State sur-tax.
- 2 The following Article shall be substituted for Article 2 of the said Agreement:—
- “2 (1) Relief from double taxation in respect of income tax (including sur-tax) in the case of any person who is resident both in Great Britain or Northern Ireland and in the Irish Free State shall be allowed from British income tax and Irish Free State tax respectively in accordance with and under the provisions of Section 27 of the Finance Act, 1920, provided that
- (a) the rate of relief to be allowed from British income tax shall be one half of that person's appropriate rate of British income tax or one half of his appropriate rate of Irish Free State tax, whichever is the lower,
- (b) the rate of relief to be allowed from Irish Free State tax shall be one half of that person's appropriate rate of British income tax or one half of his appropriate rate of Irish Free State tax, whichever is the lower,
- (c) the appropriate rate of British income tax for any year shall in the case of a person whose income is chargeable to British income tax at the standard rate only be a rate ascertained by dividing the amount of tax payable by him for that year in respect of his total income (before deduction of any relief granted in respect of life assurance premiums or any relief granted under the provisions of Section 27 of the Finance Act, 1920, as amended by this Article) by the amount of his total income, and shall in the case of a person part of whose total income is chargeable to British income tax at a rate or rates in excess of the standard rate be the sum of the following rates :—

- (i) the rate which would have been the appropriate rate in the case of that person if his income had been chargeable at the standard rate only, and
 - (ii) the rate ascertained by dividing the amount of the British sur-tax payable by that person for that year by the amount of his total income for that year,
 - (d) the appropriate rate of Irish Free State tax for any year shall in the case of a person whose income is chargeable in the Irish Free State to income tax only be a rate ascertained by dividing the amount of tax payable by him for that year in respect of his total income (before deduction of any relief granted in respect of life assurance premiums or any relief granted under the provisions of Section 27 of the Finance Act, 1920, as amended by this Article) by the amount of his total income, and shall in the case of a person whose income is chargeable to Irish Free State sur-tax be the sum of the following rates :—
 - (i) the rate which would have been the appropriate rate in the case of that person if his income had been chargeable to income tax only, and
 - (ii) the rate ascertained by dividing the amount of the Irish Free State sur-tax payable by that person for that year by the amount of his total income for that year;
 - (e) relief under this Article from British income tax allowable to any person for any year shall be given as to such an amount as would be due if his income for the year were chargeable to British income tax at the standard rate only and to Irish Free State income tax only by repayment of or set off against the tax at the standard rate payable by him for that year, and as to any balance by repayment of or set off against any British sur-tax payable by him for that year;
 - (f) relief under this Article from Irish Free State tax allowable to any person for any year shall be given as to such an amount as would be due if his income for the year were chargeable to British income tax at the standard rate only and to Irish Free State income tax only by repayment of or set off against the income tax payable by him for that year, and as to any balance by repayment of or set off against any Irish Free State sur-tax payable by him for that year.
- (2) Relief from double taxation to super-tax for the year 1928-29 in the case of any person who is resident both in Great Britain or Northern Ireland and in the Irish Free State shall be allowed, in accordance with and under the provisions of Section 27 of the Finance Act, 1920, so far as applicable, from British super-tax for that year and Irish Free State super-tax for that year respectively at one half of the lower of the two following rates:—
- (a) that person's rate of British super-tax for the year 1928-29 ascertained by dividing the amount of the super-tax payable by him for that year by the amount of his total income from all sources for that year as estimated for super-tax purposes,
 - (b) that person's rate of Irish Free State super-tax for the year 1928-29 ascertained by dividing the amount of the super-tax payable by him for that year by the amount of his total income from all sources for that year as estimated for super-tax purposes.

(3) For the purposes of this Article references to Section 27 of the Finance Act, 1920, shall in relation to British taxation be construed as references to that section subject to the amendments thereof effected by the British Finance Act, 1927, other than the amendment of the said section numbered (iv) in Part II of the Fifth Schedule to the said Act of 1927.”

3 This Agreement shall be subject to confirmation by the British Parliament and by the Oireachtas of the Irish Free State and shall have effect only if and so long as legislation confirming the Agreement is in force both in Great Britain and Northern Ireland and in the Irish Free State.

Dated this 25th day of April, nineteen hundred and twenty-eight.

EARNAN DE BLAGÁHD,
Minister for Finance, Saorstát Éireann.

WINSTON S. CHURCHILL,
Chancellor of the Exchequer”