

Help

to complete your
tax return

Basis year 2012
Year of Assessment 2013

Inland Revenue Department – Malta
www.ird.gov.mt



This information booklet has been produced by the Inland Revenue Department to help you fill in your basis 2012 Income Tax Return in a complete and correct way.

Your return is to be completed and forwarded so as to reach the Department by not later than 30th June, 2013.

You are to ensure also that all the tax due for 2012 will be paid by the 30th June, 2013. Your tax return will be carried free through the post in Malta by using the light grey envelope enclosed.

Payments made by cheque are to be posted by using the small light blue envelope provided. If you have an income tax query you can either visit the IRD Taxpayer Service in Floriana or Victoria Gozo or phone the IRD Call Centre on 2296 2296 or Freephone 80072297.

Note: This booklet is a guide only and has no legal force whatsoever.

For further information

IRD Taxpayer Service, Inland Revenue Department, Block 4 – Floriana

Taxpayer Service is open to the public as follows:

Winter (1 October to 15 June): 8.00am to 3.30pm on Mondays, Wednesdays and Fridays and 8.00am to 12.30pm on Tuesdays and Thursdays.

Summer (16 June to 30 September): 8.00am to 12.00pm (Monday to Friday)

Gozo residents may contact the Inland Revenue Branch at Enrico Mizzi Street, Victoria.

- Call Centre 2296 2296 or Freephone 8007 2297
- taxpayerservice.ird@gov.mt

The Inland Revenue Department uses the information provided, to process the Income Tax return and Self-Assessment in accordance with the Income Tax Acts and subsidiary legislation. We may check information provided by you, or information about you provided by a third party, with other information held by us. We will not disclose information about you to anyone outside the Inland Revenue Department unless permitted by law. The Inland Revenue Department treats your personal information in accordance with the Data Protection Act 2001 (Cap 440) to protect your privacy.

Any queries may be addressed to The Data Controller, Inland Revenue Department, Floriana, FRN 0170

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GENERAL INFORMATION

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Although the Director General (Inland Revenue) will be accepting your tax return as declared by you, he may make those necessary checks whenever he deems that circumstances so warrant. If it results that not all the tax chargeable has been paid, penalties may have to be imposed. The additional tax and interest will be charged as from the tax return date, which is 30th June, 2013.

Submission of tax return

The income tax return is to reach the Department by not later than 30th June, 2013. If, for some reason or another, you have not been served with a blank tax return form, you are nonetheless obliged to submit your income tax return and self-assessment by 30th June, 2013. If you do not submit your tax return, the Director General (Inland Revenue) will issue a tax statement based on estimated amounts.

Payment of the tax due

30th June, 2013 is the TAX RETURN DATE, that is, the last day by which

you may deliver your tax return. It is also the TAX SETTLEMENT DATE. This means that you must pay any outstanding balance of tax for basis year 2012 by not later than 30th June, 2013.

Tax Refund

If you have overpaid your tax for 2012 and you submitted the income tax return in time the department will be refunding your overpayment by not later than the end of December, 2013. Interest at the rate of 0.75% per month will start to accrue in your favour, from the following January. Please note that the said refund will not be issued unless you have submitted all your income tax and VAT returns, where applicable.

Adjusting the Tax Statement

If you think that the tax statement issued by the department contains a mistake you may fill in a **Correction Form (Form AF)**. If you need to add to, or correct, your own self-assessment, you may fill in an **Adjustment Form (Form AF1)**. Both forms may be obtained from the Department's Taxpayer Service.

Following the submission of these forms, a new tax statement will be issued, superseding all previous tax statements for the relative year.

Tax Return of Married Couples

Joint Return

The couple's income is to be declared in a joint return, which is to be signed by both spouses. However a return signed only by the responsible spouse is considered as having been duly signed.

Taxpayers who married during 2012

The tax return of the responsible spouse is to include (1) the income of the responsible spouse for the whole of 2012 and (2) the income of the other spouse from the date of marriage to 31st December 2012. The 'Married' rates or the separate tax computation are to be applied thereon. The tax return of the other spouse is to include the income of the other spouse from 1st January 2012 to the date of marriage. The 'Single' rates are to be applied on this income.

Responsible Spouse

The couple may choose who of the two shall be the responsible spouse by filling the appropriate form which is available from the department's Taxpayer Service. In a joint return the word "Self" refers to the responsible spouse. Therefore, steps 1 to 8 in the return must show the emolument and business income of the responsible

spouse in the left hand columns (under "Self"). The emolument and business income of the other spouse is to be shown in the right hand column (under "Spouse"). The income and relative deductions of a dependent child (i.e. a child who is not required to fill in an income tax return in his own right) are to be included with the income of the responsible spouse.

Separate Computation

You may apply the single rates of tax if you consider these to be more advantageous to you.

However the 'separate tax computation' may not be applied to all sources of income, but only to income from employment, trade or pension. All other income is chargeable in the hands of the spouse with the higher emolument and business income.

Directors' fees are always chargeable in the hands of the responsible spouse – whether these are earned by the responsible spouse or by the other spouse. The fact that a couple opts for a separate computation does not mean that two tax returns have to be submitted. Nor does it mean that two tax statements will be issued. The tax statement will be issued in the name of the responsible spouse, but responsibility regarding the payment of tax lies with both spouses jointly and severally.

Single Parents

Unmarried individuals, widows or separated/divorced persons who maintained a child during the year may compute their tax by applying the married tax rates instead of the single rates. This means that they will benefit not only from a higher tax threshold (€11,900) but also from the application of more favourable tax bands. In order to qualify for this benefit all the following conditions have to be satisfied:

- the parent must have maintained a child who, during 2012, was not over 16. However, where the child is over 16 the parent may still qualify for the benefit provided the child was a full-time student or he was incapacitated from maintaining himself;
- the child did not have an income exceeding €2,400;
- the parent was recognized by the Director of Social Security as the beneficiary of the children's allowance;
- the parent was not in receipt of financial assistance from the other parent on behalf of the child/ren;
- the parents were not living together.

If you are a single parent, tick the correct tax status on page 1 of the tax return.

Separated/Divorced Couples

Where a couple has separated, both spouses are required to register separately as a taxpayer with the Department as from the year of separation. This may be effected by a direct notification to the IRD, specifying the date of separation and referring to any arrangements made between the spouses with regards to alimony paid to the other spouse and/or the children.

Each spouse will be responsible for filing his or her tax return covering income earned from 1st January to 31st December. Each individual will be taxed as a single person and will be responsible to pay the relative tax on the income earned. Married rates will apply only if the individual qualifies as a single parent (see above).

Where income is derived from employment, separate FS3s of each individual covering the employment period for the year, are to be attached to the tax return.

Parent Tax Rates

These tax bands which came into effect on 1st January 2012, apply to parents who maintained under their custody a child, or paid maintenance in respect of their child as determined:

- a) by the Courts of Malta or the Courts of another country;

- b) by a public deed of personal separation under the authority of the Courts of Malta or the Courts of another country, or
- c) by the Courts of Malta in a divorce judgement or a decree or by the Courts or other authorities of another country.

The Parent Tax Rates apply only where such child was not over 18 years of age (or not over 21 years if receiving full-time instruction at a tertiary education establishment) and not gainfully occupied, or if gainfully occupied did not earn income in excess of €2,400.

These rates may be viewed on the back of this booklet.

Tax credit for women returning to employment

Women who return to employment or self-employment may benefit from a tax credit. Those who may benefit from this tax credit are:

- a) Women who have children under 16 years of age and who have returned to work after the 1st of January 2012 after being absent from work for 5 years or more; or
- b) Women who had children after 1st January 2007 and continued or had returned back to work in

their employment on or after this date.

If you qualify you may choose either one of the following tax credits:

1. Maximum of €2000 tax credit

If this amount of tax credit is not taken in a single year, the balance may be carried forward to the following year. In this case one may fill in an RA7 form, which may be obtained from the Taxpayer Service at Block No. 4

Or

2. Tax credit equivalent to the tax charged on your employment

If the tax due on your employment is more than €2,000, the whole amount of tax would be covered by the tax credit. If the qualifying income is derived from self-employment, the maximum amount of tax credit is €5,000. However, if the tax credit is not availed of in one year the remaining balance cannot be carried forward to next year. In order to opt for this type of tax credit one needs to fill in an RA9, also obtainable from Taxpayer Service. If option 2 is taken, a married couple must calculate their tax by using the separate or the Parent computation rates.

Moreover, women who returned to

employment during 2012 after an absence of at least 5 years from any gainful occupation and had previously been in employment for at least 24 consecutive months may benefit from a tax credit of up to €2,000. This tax credit has to be claimed on Form RA4, issued by the Department.

In case of difficulty please contact our Call Centre on 2296 2296.

PERSONAL DETAILS

Identity Details

Check the identity details printed on page 1 of your tax return and make the appropriate corrections in the space provided. Please write your telephone number on page 1. In the case of a married couple some of the details in this section refer to the other spouse as currently recorded at the department.

Tax Status

Your tax status (“single” or “married and living together”) as known to the Department is printed on page 1. If the tax status, as printed, is correct, you do not have to do anything. If your status has changed please indicate this by ticking the appropriate box showing your new tax status and the

date of the change. For example, if you are single but you qualify as a single parent in 2012, tick the box “single parent”. If you are a married person but you became widowed, separated or divorced during 2012, tick the box “widow” or “separated/divorced”, as appropriate. Enter also the date of the change in status.

Residency Status

Different rates of tax apply to taxpayers who are not residents of Malta. Therefore you are to indicate your residency status for income tax purposes in your tax return.

If you answer ‘Yes’ to question 1 (i.e. you were resident in Malta) you do not have to reply to question 2 and you may go to the next step straight away. If you answer ‘No’ (i.e. you were not resident in Malta for income tax purposes) then you must answer question 2 and indicate the period during which you were in Malta during 2012.

If you had multiple stays in Malta during 2012 then attach a list of the relevant dates. If you are in doubt regarding your residency status for income tax purposes you may phone our Call Centre on 2296 2296 or visit the Taxpayer Service at Block 4, Floriana or our offices at Victoria, Gozo to clarify your residency status before submitting your tax return.

Expatriates

This section is to be filled in by expatriates only. Such individuals are to tick the appropriate box or boxes.

Tax Return Language Choice

If you require this tax return in the Maltese language you may contact the Department.

Declaration

The declaration on page 1 is to be signed and dated. The return will not be considered complete unless properly signed. The return of a married couple is to be signed by both spouses. If it is signed by the responsible spouse only, it will be deemed to have been signed by both.

Other Information

Tax Advice

If you are attaching with the tax return the original written advice of a tax professional in terms of the Income Tax Act, you are required to tick the box adjacent to the item and supply the name of the tax professional in the space provided.

General Basis of Taxation

If you are domiciled and ordinarily resident in Malta you should declare

all your 2012 income (including that of your spouse and dependent children) from whatever source. If you are either not domiciled or not ordinarily resident in Malta you should declare all income accruing to you in Malta or derived from Malta (including that of your spouse and dependent children), as well as any income which was remitted to Malta during 2012.

Disregard or round up the cents

When you fill in your tax return enter the amounts in euro, leaving out the cents. This is done as follows:

When determining the CHARGEABLE INCOME disregard any fraction of a euro, even if this is 99 cents – in respect of any source of income. For example, if you received a salary of €11,155.65 you are to enter €11,155 in box 1. If you received three interest amounts of €210.84, €48.34 and €24.68, first you should add them all up. This amounts to €283.86. At this point you are to disregard the cents (86c) and enter €283 in box 9b.

When you are determining any DEDUCTION AGAINST INCOME you are to round up to one euro. For example, if you need to effect a deduction of €60.45 from rental income, you are to enter €61 in box 16b. Any fraction of a euro even if it does not exceed 50c – is to be rounded up to a euro.

When you are computing the TAX DUE that is from section 26 onwards, the rules change slightly. Here, you are to disregard any fraction of a euro being equal to or less than fifty cents, and round up to one euro any fraction of a euro exceeding fifty cents.

EMOLUMENT AND BUSINESS INCOME

On page 2 of your tax return you are required to include all your emolument and business income. If your tax status is single you must declare your income under the “Self” column. If your tax status is married and living together, you must declare the income of the responsible spouse under the “Self” column and the income of the other spouse under the “Spouse” column. If your tax status is single parent you must declare your income under the “Self” column.

The box numbers, found from this page onwards, correspond to the numbers of the sections in the tax return.

1. Employment or Office

In this section you are to include the gross income received during the year from employment or office. This includes: salary or wages; bonuses;

overtime; directors’ fees; fringe benefits; and other payments and allowances, including commissions.

For each separate source of income from employment or office enter the PE number of the payer. FS3s are to be attached to page 3 of your return.

If you or your spouse received director’s fees, these are to be included in box 1 under the column SELF. You may not opt for a separate computation in respect of such fees.

Part-time employment income up to a maximum of €7,000 which qualifies under the part-time rules and on which tax at 15% has already been paid are not be included in your return – unless you need to claim back some of the tax so paid. In this case, include the part time gross income in box 1 and claim the tax already deducted in box 35. If tax on part-time income is going to be claimed back, FS3s in respect of each source are to be attached to page 3.

Any part-time income over €7,000 is to be included in box 1. Arrears of salary received in 2012 are taxable in 2012, and are to be included in box 1. If you are a lotto receiver, do not declare your income in section 1 but in section 2. Although you may have been given an FS3, this income is not derived from an emolument but from a trade or business.

2. Trade, Business, Profession or Vocation

For each source of trade, business, profession or vocation you must provide the VAT number and the net profit earned during 2012. In the case that such business does not need VAT registration, mark the box N/A (not applicable). If this income was derived from a trade or business carried out in partnership, tick the appropriate box.

In the case of a loss indicate the loss in brackets.

A signed Profit and Loss Account is to be attached to page 3 of the tax return. You may use the enclosed specimen Profit and Loss statement for this purpose.

If the trade or business is carried out in partnership, include the following details in your Profit and Loss account: (1) the partnership number (2) the name of each partner (3) the ID card number of each partner.

Please note that special legislation is in place, providing for cross-checking between the VAT and the Inland Revenue Departments as regards sales and purchases. Trading losses brought forward from previous years should not be declared in this section but in box 21 on page 3 of the return.

Sale of Agricultural Produce

If during the year you had income from the sale of agricultural produce please refer to the leaflet issued with the RA1 form to help you fill in this part correctly.

Income from Student Hosting

If you are registered with the Malta Tourism Authority as a host family and you received payments from a registered language school you should fill in the RA6 form (copies available from the Department's Taxpayer Service). The RA6 form together with the statement/s provided by the language school/s showing the total payments made for the year are to be attached to page 3 of the income tax return.

Deductions and tax credits introduced recently

Pharmacy Of Your Choice Scheme (L.N 171/2010)

If you carry a business through a pharmacy outlet and you have incurred an expense in purchasing or installing any equipment or software for the implementation of the Pharmacy Of Your Choice scheme you may qualify for an additional deduction. This is equivalent to 300%

of the expense. The total deduction claimed may not exceed €12,000 for each pharmacy.

To qualify for this deduction you are to file an application with the Standing Advisory Committee. Upon approval you are required to fill in the RA11 form (obtainable from the IRD). The resultant expense computed in this form should then be included in the Profit and Loss account accompanying the tax return under LN171/2010 POYC Rules.

Workplace accessibility deduction

If, as an employer, you have incurred an expense to increase the accessibility to the workplace to any of your employees suffering from a disability, you may be allowed a special deduction against your income. The qualifying expense may not exceed €20,000. If such deduction cannot be fully set off against your income in the year of entitlement, it may be carried forward to subsequent years. Qualifying expenditure includes expenditure of a capital nature (e.g. installation of a lift) and expenditure incurred in the training of employees having a disability. An approval has to be issued by the National Commission Persons with Disability following an application.

To claim this deduction you are

required to file an RA12 form. The resultant expense computed in this form should be included in the Profit and Loss account accompanying your tax return.

Childcare facilities at the workplace

If, as an employer, you have incurred expenditure to provide childcare services for the children of your employees you are entitled to a deduction equivalent to the expense up to a maximum of €20,000. Where the deduction cannot be fully set off against your income in the year of entitlement, it may be carried forward to subsequent years. The expenditure must be of a capital nature and consist of (a) the construction or conversion of a childcare facility (b) the acquisition of childcare equipment for use in a childcare facility at the workplace. The claim is to be made on the RA 13 form which you may download from our website. The resultant expense computed in this form should then be included in the Profit and Loss account.

Deduction of donations to the University Research, Innovation & Development Trust

See Section 20 for more details about this deduction.

MicroInvest tax credits for micro enterprises and the Self-employed

This incentive is open to all micro enterprises including self-employed individuals that at point of application satisfy all criteria set up by the Malta Enterprise. Malta Enterprise may approve a tax credit equivalent to 40% of eligible expenditure. An additional bonus of 20% (total 60% tax credit) applies to Gozo based micro enterprises. The maximum tax credit per enterprise shall be capped at €25,000 for the duration of this incentive. All the relevant information regarding this scheme may be found on the Malta Enterprise website at maltaenterprise.com.mt. Any tax credit claim with respect to this incentive is to be made on the appropriate RA 15 form.

Tax Credits for creative enterprises

The scope of this incentive is to support creative business whose economic performance is directly linked to the creative talent of the individual or individuals involved in the company. Self-employed individuals involved in the creative industry may benefit through this incentive which will be in the form of a tax credit. The aid will be calculated as a percentage of the eligible costs incurred by these undertakings in the development of their creative endeavours. For

a more detailed explanation about this scheme you may visit the Malta Enterprise website maltaenterprise.com.mt – (Incentive Guidelines).

The tax credit claimed is to be computed on the RA 16.

Highly Qualified Persons Incentive

Expatriates in receipt of income payable in terms of a “qualifying contract of employment” in respect of activities carried out in Malta, may opt to be subject to tax on such income at a flat rate of 15%, provided that the income amounts to at least €75,000, adjusted annually in line with the Retail Price Index. The 15% flat rate is imposed up to a maximum income of €5,000,000 and the excess is exempt from tax.

In order for a beneficiary to qualify for the reduced rate of tax he must be engaged in an employment activity which constitutes an ‘eligible office’. An ‘eligible office’ consists of a specified senior employment position with companies licensed and/or recognised by the Malta Financial Services Authority (MFSA), the Lotteries and Gaming Authority and the Authority for Transport.

The eligible offices may be found in L/N 106 of 2011, L/N 428 of 2011 and 306 of 2012.

An application must be made to the MFSA on form RA17 which is

downloadable from the IRD and MFSA website. The completed form is to be attached to the income tax return and filed by the 30th June 2013.

3. Pensions and Social Security Benefits (Applicable to local and foreign pensions)

Include the PE number (or other reference number) of the pension provider and the gross income received from each local and overseas pension. You should have an FS3 or similar statement for every amount of pension income included in this step. Attach these statements to page 3 but pensioners in receipt of a Social Security pension should not attach a Social Security pension statement with their income tax return.

Certain Social Security benefits, e.g. Unemployment Benefit or Sickness Benefit are taxable and are also to be declared in box 3.

War pensions and certain allowances/benefits payable under the Social Security Act which are exempt from income tax need not be declared.

FSS tax deductions made from local pension payments are to be claimed in box 35.

4. Overseas Employment

In this step you must declare the gross amount of emoluments received under

a contract of employment requiring the performance of work or of duties mainly outside Malta. Insert the PE number of your employer in the box provided. The following information in respect of each source of overseas employment must be provided on a separate statement and attached to page 3:

- Country where the duties were performed;
- Employer's name and PE number;
- Duration of contract; and
- the amount of gross income (in euro).

If you satisfy the conditions for overseas employment and you (or your spouse, if married) wish to have this income taxed at 15%, you are required to tick the box adjacent to this item.

It is important to note that income from overseas employment is taxed as the first part of the income. For further information please see page 26 of this booklet.

5. Sub Total

Add steps 1 to 4 and enter the totals in boxes 5a and 5b.

6. Deductions from Employment or Office

In this section you may deduct expenses which are directly related to

the income you have declared in steps 1 and 4. Under this step a deduction cannot be higher than the relevant income it relates to, i.e. you may not declare a loss on your employment income. Also note that you may not claim as a deduction the Social Security Contributions made during the year. FSS tax withheld from your salary is not a deduction and is to be entered in box 35.

7. Exemptions

In this section you may deduct any income declared in steps 1 to 3 which is exempt for tax purposes.

Exemption on Royalties derived from Patents

Royalties and similar income derived from patents in respect of inventions are exempt from tax.

This incentive does not restrict the exemption to patents registered in Malta and neither does it restrict the exemption to research and development activity carried out in Malta. For the exemption to apply in the case of an individual, however, such individual must have carried out, either solely or together with other persons, research, planning, processing, experimenting, testing, devising, developing or other similar activity leading to the invention

which is the subject of the qualifying patent.

The exemption is obtained through an approval issued by Malta Enterprise following an application by the claimant.

Malta Enterprise may ask for any documentation and information it deems necessary in order to arrive at a decision.

8. Total Emolument and Business Income

Deduct 6a and 7a from box 5a. Enter the result in box 8a. If this return is in respect of a married couple then you should also deduct box 6b and 7b from 5b and enter the result in box 8b. Box 8a (and 8b, in the case of married couples) is not to be left blank. Where there is no income to report, insert "0". If boxes 8a or 8b are negative amounts (as a result of a loss from a trade or business) then indicate the amount in brackets.

INVESTMENT, CAPITAL GAINS AND OTHER INCOME

9. Local Investment Income

Local Dividends

Local dividends need not be declared unless a credit for tax deducted at

source is being claimed. The total gross amount of local dividends being declared must be included in box 9a. Tax deducted at source on such dividends is to be claimed in box 38.

Local Interest

All local interest income (including foreign currency accounts held at local banks) that did not suffer tax deductions at source must be included in box 9b. Interest income from local banks, which has already suffered 15% tax should not be declared in your tax return. If you want to claim back the 15% tax already paid on interest you may do so by filling in box 40 on page 4 of the tax return. In this case the relative gross interest is to be declared in box 9b. Non-residents should note that their local interest income is exempt from income tax in Malta.

10. Foreign Investment Income

In this step you must include the gross amount of foreign dividends and foreign interest. If you are domiciled and ordinarily resident in Malta you must declare all foreign dividends and foreign interest income. All other taxpayers (i.e. not domiciled or not ordinarily resident in Malta) are required to declare only those foreign dividends and foreign interests which were received in Malta.

Foreign Dividends

Include in box 10a the total amount of gross foreign dividends (in euro).

Foreign Interest

In box 10b include the total amount of gross foreign interest (in euro) except:

- foreign interest from which 15% tax has been withheld;
- foreign interest on which an arrangement will be made with an authorised financial intermediary by 30th June 2013 for the payment of tax at 15%.

The 15% tax is final and cannot be claimed back in your tax return. Foreign currency accounts held locally are not to be included here but under local interest (box 9b).

Write down the amount of credit for overseas tax paid on foreign investment income in box 33. See step 33 below on how to calculate the amount of the credit for double taxation.

11. Rental Income

In box 11a you should enter the total income from gross rents, premiums, key money, laudemia and any other receipts arising from property. In box 11b enter the total income from ground rents received. Deductions

against rental income are to be made in section 16.

Note that if income from property renting is carried on as a business activity (e.g. short letting of holiday accommodation) this is to be included in section 2 above, and not here.

Rental Income received from the Housing Authority that was subject to a final tax of 5% should not be declared in your tax return.

12. Capital Gains Income

Enter the net amount of capital gains derived during 2012. Taxable capital gains arise from the transfer of the ownership or usufruct of, or from the assignment or cession of any rights over, any immovable property, securities, business goodwill, copyright, patents, trademarks and trade names.

Transfers of property that were subject to a final tax of 12% should not be declared in your tax return. Likewise if the property transferred had been inherited before 25 November 1992 and was subject to a final tax of 7% the transfer should not be declared.

In any other case, even though tax at 7% will have already been collected by the notary, you still have to declare the capital gain in your tax return. The 7% payment is provisional, and in certain cases may not be enough to cover

your tax liability. On the other hand it may result in an overpayment of tax, and the only way to claim back any overpaid tax will be to declare your gain in the tax return.

Where in a particular year a capital loss results, this amount may not be set off against other income. It can be set off only against future capital gains. You are to keep a note of any such capital loss, which may have resulted in order to claim it against future capital gains (if any) in a subsequent year.

If the transfer of immovable property results in a capital loss insert "0" in box 12. If you leave box 12 blank you will not be credited with any provisional tax on capital gain.

The determination of the net capital gain is to be made on the RA2 form. This form, completed for each transfer of property that was subject to capital gains, is to be attached to page 3 of your tax return.

If you transferred property that was not subject to final tax and did not receive the RA2 form, you may obtain a copy from our Taxpayer Service or by contacting our Call Centre on 2296 2296.

The tax already paid on the transfer of capital assets (usually at the rate of 7%) is pre-printed in box 37 on the return. It is important to note that if the transfer of a property was not subject to a final tax, and it was made as part of

your BUSINESS and not as a CAPITAL GAIN, you should declare the income in section 2 of the return.

13. Income from Alimony

If you received any income from your spouse as maintenance payment, such income is taxable and should be included in box 13. However, any income received during the year from your estranged spouse as maintenance payment in respect of your child/ren is exempt from tax and is not to be declared.

14. Other Income

In this step you must include any other income to be declared which has not been included elsewhere in your tax return. The appropriate documentation in respect of each amount of other income declared must be attached to page 3 of your tax return.

15. Total

Enter the total of boxes 9a to 14 in box 15.

DEDUCTIONS

16. Rental Deductions

Deduct the following expenses in connection with rental income:

- ground rents payable; and
- a further deduction of 20% (on rental income less ground rents).

Ground rent payable is to be deducted in box 16a. Deduct 20% as a further deduction in box 16b. This 20% deduction is allowable irrespective of whether actual expenditure has been incurred. It amounts to one-fifth of the rents received i.e. one-fifth of (gross rents less ground rents).

Example:

Gross rents	€400
Less ground rent payable (€40)	€360
20% of €360 = €360 divided by 5 =	€72

Enter €72 in box 16b. The 20% further deduction is not allowable on emphyteutical grants, i.e. against the ground rents declared in box 11b only the ground rents paid may be deducted.

The total amount of deductions in respect of each separate rental property in boxes 16a and 16b must not exceed the amount of rental income declared for that property in section 11.

17. Interest Payable on Capital

This is interest payable on capital used in acquiring income. No deduction is allowed in respect of interest which

is of a personal or private nature. Indicate in the space provided the number of the box in which you declared the income against which you are claiming this interest. If you are claiming this interest against multiple sources of income attach a list of these sources.

18. Alimony Payments

Here you may deduct the amount of alimony paid to your estranged spouse. The alimony payment is to have been established by court or as agreed by a public deed of personal separation under the authority of the Courts. Maintenance payments made in respect of dependent children are not deductible.

19. Deduction of fees paid

19a. School Fees paid to private independent schools and/or Kindergarten centres.

Parents [or legal guardians] whose children have attended a private, fee-paying independent school or kindergarten centre during 2012 are eligible for a deduction equal to:

- (1) The lower of €1,300 or the amount of school fees paid during 2012 for every child attending an independent school at kindergarten level;
- (2) The lower of €1,600 or the amount

of school fees paid during 2012 for every child attending an independent school at primary level;

- (3) The lower of €2,300 or the amount of school fees paid during 2012 for every child attending an independent school at secondary level.

Eligible parents must obtain, for every child, a certificate from the Head of School/kindergarten centre indicating that their child had attended the school during 2012 and attach the certificate/s to the tax return on page 3. A list of such schools is on page 36.

19b. Fees payable for the services of a facilitator

Parents who on advice of the State-menting Moderating Panel paid fees to a private fee-paying independent school in respect of children with special needs for the services of a facilitator may claim a deduction of the fees to a maximum of €9,320. Eligible parents must fill in the RA3 form. This form, together with any supporting documents requested, is to be attached to page 3. If you are eligible and you have not received the RA3 form you may obtain a copy from Taxpayer Service.

19c. Fees paid for child-care services

Parents who paid fees for child-care services in respect of their children who

are below the age of 12, to centres, which are registered or otherwise approved by the Department for Social Welfare Standards or the Directorate for Quality and Standards in Education or is a service provided by the Foundation for Educational Services in respect of their children are eligible for a deduction equal to the lower of €1,300 for every child or the amount of fees paid during 2012. Eligible parents must obtain a document from the person responsible for the centre that shows the amount of fees paid. This document must be attached to page 3 of the tax return. A list of child-care centres may be found on pages 33 and 34.

19d. Fees paid for sport activities

If you have paid fees, in respect of your children who have not attained the age of 16, attending sports activities approved by the Malta Sports Council, you are allowed for each child a deduction being the lesser of the amount actually paid or €100. This deduction is only allowable upon presentation of a certificate issued by the sports centre, showing payment made and the details of the applicant.

19e. Fees paid in respect of residence in a private home for the elderly.

If you have paid fees on your own behalf or on behalf of a family member, in

respect of residence in a private home for the elderly, you shall be allowed a deduction equivalent to the amount actually paid or €2,500, whichever is the less. The deduction shall only be allowed if the payment and the details of the individual making the claim are certified by the person running the private home for the elderly. See list of private homes on page 35.

19f. Deduction of Tertiary Education fees.

If you have paid fees in respect of your studies at a recognised tertiary institution, a deduction against income up to a maximum of €10,000 is allowed. The deduction is allowed against income for the year in which the studies have been successfully completed.

Where the deduction cannot be fully set off against your income in the year of entitlement, it shall be carried forward to subsequent years. Such a deduction is forfeited if you receive any form of compensation or credit from Government, or any other public or private entity in respect of the fees paid.

You are to submit in the first year of the claim the certificate of completion of studies issued by the relative institution. The certificate must be confirmed as being of a tertiary education level by the Malta Qualifications Recognition Information Centre and is to be submitted with the income tax return. You

are also to fill in RA14 form which you may download from our website.

19g. Fees paid for Creative or Cultural courses

As from 1st January 2012, parents who have paid fees in respect of their children who have not attained the age of sixteen years, attending creative or cultural courses organised by institutions or persons licensed or accredited by the Malta Council for Culture and the Arts, shall, for each child, be allowed as a deduction against his income the lesser of these amounts –

- (a) the amount actually paid;
- (b) one hundred euro (€100):

Provided that the deduction shall only be allowed if the payment and the details of the individual making the claim are confirmed by information provided by the licensed or accredited person or institution through the Malta Council for Culture and the Arts.

20. Other Allowable Deductions

Deduct any other allowable expense in respect of income which has been declared in steps 9 to 14. You must indicate in the space provided the number of the box in which you declared the income against which you are claiming this deduction and/or specify the type of deduction being made. If you are claiming this deduction against multiple sources of

income attach a list of these sources to your tax return. Claims for deduction in respect of donations made to the University Research, Innovation and Development Trust, are also to be included in this box. A donation between €150 and €50,000, may be claimed as a deduction against income. To this effect the Trust shall issue a certificate to the donor showing the value of the donation and that its scope was for research and development. This certificate is to be attached to your tax return.

21. Trading losses brought forward

Trading losses incurred in prior years that may be set off against this year's chargeable income are to be declared here. Make sure that you have not already set off these trading losses brought forward against the income declared in section 2. Insert in the space provided the VAT number of the business activity from which the trading losses are brought forward.

22. Total Deductions

Add the amounts in boxes 16a to 21 and enter the total in box 22.

23. Total after deductions

Deduct box 22 from box 15 and enter the result in box 23. Where there is nothing to report, insert "0". If box

23 is a negative amount indicate by using brackets.

TAX COMPUTATION

In this section you are required to determine your chargeable income (boxes 24 and 25) and compute the tax due (box 26).

24. Chargeable Income

Determine the amount of chargeable income according to your tax status by performing one of the following calculations:

Single Persons

If your tax status was “single” follow boxes 24a, 25a, 26a and 27 and ignore all other boxes in this part of the return. This also applies where your tax status is “Single” and you qualify for the Parent tax Rates.

Example 1:

You had €12,000 in box 8a (Total Emolument and Business Income) and €500 in box 23. Follow these steps:

24a

Add the amounts of box 8a (€12,000) and 23 (€500).

25a

Copy the amount from box 24a (€12,500). This represents your Total

Chargeable Income, and on which you are to work out your tax calculation.

Married and living together

Example 2

Let us assume that:

- in box 8a, the total emolument and business income of the responsible spouse is €15,000;
- the other spouse’s income in box 8b is €13,500;
- the amount in box 23 is €900.

24b

Copy the amount from box 8a (€15,000).

24c

Copy the amount from box 8b (€13,500).

24e and 24f

The amount in box 23 (€900) is to be added either to box 24b or to box 24c, depending on which of the two is the higher.

Married couples opting for a separate tax computation or a Parent Rate Computation are to note that the investment, capital gains and other income is chargeable to tax in the hands of the spouse with the higher emolument and business income (totals in box 8a and 8b). If the amount in box 24b is higher than or equal to box 24c (as

in the current example) then copy the amount from box 23 (€900) into box 24e and enter “0” in box 24f;

- add boxes 24b (€15,000) and 24e (€900) and enter the total (€15,900) in box 25b;
- add boxes 24c (€13,500) and 24f (€0) and enter the total (€13,500) in box 25c.

See section 26 for instructions on how to compute the tax due.

Example 3

Now let us assume that:

- in box 8a, the total emolument and business income of the responsible spouse is €13,500;
- the total emolument and business income of the other spouse in box 8b is €15,000;
- the amount in box 23 is €900.

24b

Copy the amount from box 8a (€13,500) into box 24b.

24c

Copy the amount from box 8b (€15,000).

24e and 24f

This time the amount in box 24c is higher than that in box 24b. In this case the total in box 23 is to be added to box 24c and not to box 24b.

Therefore:

- copy the amount from box 23 (€900) into box 24f;
- enter “0” in box 24e;
- add the amounts in boxes 24b (€13,500) and 24e (€0) and enter the total (€13,500) in box 25b;
- add boxes 24c (€15,000) and 24f (€900) and enter the total (€15,900) in box 25c.

See 26 for instructions on how to compute the tax due.

Before deciding whether to opt for a separate/parent tax computation or not we still have to work out one further calculation.

Example 4

In this example we shall take the same figures as in example 2 above, that is:

- in box 8a the total emolument and business income of the responsible spouse is €15,000;
- in box 8b the total emolument and business income of the other spouse is €13,500;
- the amount in box 23 is €900.

24d

Add the amounts in boxes 8a (€15,000), 8b (€13,500), and 23 (€900) and enter the total in box 24d. In this case the total is €29,400.

Copy the total from box 24d into box 25d. See box 26 for instructions on how to compute the tax due.

Single Parent

If you qualify as a single parent (i.e. you satisfy the conditions as explained on page 4) you do not have to enter into all these calculations; all you have to do is to fill in box 24d.

25. Total Chargeable Income

Tax Status: Single (based on example 1)

25a

Enter in box 25a the total of the amounts in box 24a (€12,500). This is your Total Chargeable Income, on which you are to calculate the tax due.

See section 26 for instructions on how to calculate the amount of tax due.

Married – Separate/Parent Computation (based on example 2)

25b

Add boxes 24b (€15,000) and 24e (€900) and enter the total (€15,900) in box 25b.

25c

Add boxes 24c (€13,500) and 24f (€0) and enter the total in box 25c.

Married joint computation

25d

Copy the amount from box 24d (€29,400) into box 25d. See box 26 for instructions on how to compute the tax due.

Single Parent

25d

Copy the amount from box 24d into box 25d.

26. Tax on Chargeable Income

In this step you are required to calculate the amount of tax, which is due on your chargeable income. The examples below will show you how to compute the amount of tax using the single, married and parent tax rates. These rates are set out on the back of this booklet.

Example 1

Tax Status: Single Person

In this example a single person has a Total Chargeable Income in box 25a of €12,750.

Tax on Chargeable Income (€12,750) is computed by using the “single tax rates” as follows:

1. Match the Chargeable Income

figure to the appropriate tax band (in this case €12,750 falls within the range €8,501 to €14,500).

2. Multiply the Chargeable Income by the appropriate tax rate for that tax band (in this case 0.15) and subtract the 3rd column figure (in this case €1,275), that is $(€12,750 \times 0.15) - €1,275 = €637$.

Enter €637 in box 26a

Example 2

Tax Status:
Single Person qualifying for the Parent Tax Rates

(See page 4 for more information).

In this example a single person who maintains a child of five years and qualifies for the Parent Tax Rates has a Total Chargeable Income in box 25a of €18,500.

Tax on €18,500 is computed by using the “Parent Tax Rates” as follows:

1. Match the Chargeable Income figure to the appropriate tax band (in this case €18,500 falls with the range of €15,801 and €21,200).
2. Multiply the Chargeable Income by the appropriate tax rate in that tax band (in this case 0.25) and subtract the 3rd column figure (in this case €2,975), that is $(€18,500 \times 0.25) - €2,975 = €1,650$.

Enter €1,650 in box 26a

Example 3

Tax Status:
Married and living together

In this example:

- **the Total Chargeable Income of the taxpayer is €15,900 (in box 25b) and**
- **that of the other spouse is €13,500 (box 25c).**

In this case you are to calculate the tax due, first using the separate tax computation and then using the joint computation. You may choose the more advantageous option.

The calculation of the tax due using SEPARATE COMPUTATION is made in two steps:

Step 1 Responsible Spouse

The tax on the Chargeable Income of the responsible spouse (€15,900) is computed by using the “single tax rates” as follows:

1. Match the Chargeable Income figure to the appropriate tax band (in this case €15,900 falls within the range €14,501 and €19,500).
2. Multiply the Chargeable Income by the appropriate tax rate for that tax band (in this case 0.25) and subtract the 3rd column figure (in

this case €2,725) that is, $(€15,900 \times 0.25) - €2,725 = €1,250$.

Enter €1,250 in box 26b

Step 2 Other Spouse

The tax on the Chargeable Income of the other spouse (€13,500) is computed by using the single tax rates as follows:

1. Match the Chargeable Income figure to the appropriate tax band (in this case €13,500 falls within the range of €8,501 to €14,500).
2. Multiply the Chargeable Income by the appropriate tax rate for that tax band (in this case 0.15) and subtract the 3rd column figure (in this case €1,275), that is, $(€13,500 \times 0.15) - €1,275 = €750$.

Enter €750 in box 26c

Note:

Total tax for this married couple using separate computation is €2,000 (i.e. €1,250 + €750).

We shall now use the JOINT TAX COMPUTATION, taking the same figures used in the previous example. This will help us decide which of the two options is the more advantageous.

The Total Chargeable Income is €29,400 (box 25d) The tax on Chargeable Income is computed

by using the “married tax rates” as follows:

1. Match the Chargeable Income figure to the appropriate tax band (in this case €29,400 falls within the last range €28,701 and over).
2. Multiply the Chargeable Income by the appropriate tax rate for that tax band (in this case 0.35) and subtract the 3rd column figure (in this case €6,775) i.e. $(€29,400 \times 0.35) - €6,775 = €3,515$.

Enter €3,515 in box 26d

Note:

For this married couple, total tax using joint computation is €3,515. Total tax on the same income computed using separate computation would be €2,000 (i.e. €1,250 + €750).

Therefore, it is more advantageous for this married couple to opt for a separate tax computation.

Example 4

Tax Status: Married and living together

The couple has a child aged 19 years who is attending a tertiary educational institution (and his only income is the stipend related to his degree course which does not exceed €2,400).

*See Page 4 of this Booklet for more information.

As in example 3 the responsible spouse's chargeable income is €15,900 and that of the other spouse is €13,500.

The calculation of tax due using the PARENT COMPUTATION is also made in two steps:

Step 1 Responsible Spouse

The tax on the Chargeable Income of the responsible spouse (€15,900) is computed by using the "Parent tax rates" as follows:

1. Match the Chargeable Income figure to the appropriate tax band (in this case €15,900 falls within the range of €15,801 to €21,200).
2. Multiply the Chargeable Income by the appropriate tax rate for that tax band (in this case 0.25) and subtract the 3rd column figure (in this case €2,975) that is, $(€15,900 \times 0.25) - €2,975 = €1,000$.

Enter €1,000 in box 26b

Step 2 Other Spouse

The tax on the Chargeable Income of the other spouse (€13,500) is computed by using the Parent tax rates as follows:

1. Match the Chargeable Income figure to the appropriate tax band

(in this case €13,500 falls within the range of €9,301 to €15,800)

2. Multiply the Chargeable Income by the appropriate tax rate for that tax band (in this case 0.15) and subtract the 3rd column figure (in this case €1,395), that is, $(€13,500 \times 0.15) - €1,395 = €630$.

Enter €630 in box 26c

Note: The total tax for this married couple using the Parent computation is **€1,630** (€1,000 + €630). As we have seen above the Joint Tax Computation on this married couple's income is €3,515. Therefore it is more advantageous for this married couple to opt for the Parent Tax Computation.

Example 5

Tax Status: Single Parent

In this example a single parent has a Total Chargeable Income in box 25d of €14,800.

In the case of single parents the Tax on Chargeable Income is calculated exactly in the same way as a married couple with a joint computation.

1. Match the Chargeable Income figure to the appropriate tax band (in this case €14,800 falls within the range €11,901 and €21,200).
2. Multiply the Chargeable Income by the appropriate tax rate (in this case 0.15) and subtract the 3rd column

figure (in this case €1,785), i.e. $€14,800 \times 0.15 - €1,785 = €435$.

Enter €435 in box 26d

27. Total Tax on Chargeable Income

If you are claiming the tax credit for women returning to employment make sure that before proceeding with this step you fill in the RA4 or RA7 or RA9 forms (see page 5). This is essential to choose which tax computation is more advantageous to you.

In this step you are required to transfer the amount(s) you calculated in step 26 as follows:

- if your tax status is Single, transfer the amount in box 26a to box 27;
- if your tax status is Married and living together, and the total of boxes 26b and 26c is higher than the amount in box 26d, transfer the amount in box 26d to box 27;
- if your tax status is Married and living together, and the total of boxes 26b and 26c is lower than the amount in box 26d, add the amounts in boxes 26b and 26c and transfer the total to box 27. In our example, add €1,250 (box 26b) to €750 (box 26c) and enter €2,000 in box 27;
- if your tax status is Single Parent transfer the amount in box 26d to box 27;

- if no tax is payable enter “0” in box 27.

In this section it is important that you indicate whether you have opted for the Parent tax rates by ticking the box.

Non-residents and expatriates living in Malta

As different tax rates apply to non-residents or to expatriates who live in Malta, such individuals may not be able to calculate accurately the amount of tax due in step 26 from the information contained in this booklet. In such cases IRD staff at Block 1 will be ready to help you in computing the correct figure.

Overseas Employment

Taxpayers who satisfy the conditions for overseas employment may choose to have such income taxed either at the normal rates of tax or at a flat rate of 15%. However, on calculating the tax due, the overseas employment is to be treated as the first part of the income. In order to establish the more advantageous option you should calculate the tax due in three steps:

Step 1:

- Compute the tax due on the aggregate chargeable income (including the overseas employment) using

the appropriate normal tax rates ('single', 'married' or 'parent').

Step 2:

- (a) Calculate the tax of overseas employment at normal 'single' or 'married' rates.
- (b) Deduct the tax on overseas employment using the normal rates (a) from the tax on total income using normal rates.
- (c) Compute the tax charged at 15% on the overseas employment and add the amount with the resultant tax arrived at (b).

Step 3:

Compare the results between Steps 1 and 2

Example 1:

Let us assume that a single person had €10,000 in box 1a as employment income, and €25,000 in box 4a as overseas employment.

The computation would work out as follows:

In Step 1:

The tax computed on the total chargeable income (€35,000) (using single rates) would be **€7,575**.

In Step 2:

- (a) Tax on overseas employment

using the normal single rates is €4,075;

- (b) Deduct the tax on overseas employment calculated at normal rates (€4,075) from the tax on the total chargeable income (€25,000 + €10,000) taxed at normal rates (€7,575). This results in €3,500.
- (c) Add the amount of tax at 15% charged on the overseas employment (€3,750) with the tax amount arrived at (b) above (€3,500).

This amounts to €7,250.

In Step 3:

- Check which computation worked out in step 1 or step 2 is the more advantageous to you and enter the resultant figure in section 26. In this case it is more advantageous for this taxpayer to opt for having the overseas income taxed at 15%.

TAX CREDITS

28. Women Returning to Employment Credit

Enter the amount of tax credit that you are claiming if you are eligible for the women returning to employment credit. Refer to the explanatory booklets issued with the RA4, RA7 and RA9 forms to help you fill in this box correctly.

29. Sale of Agricultural Produce

Please refer to the leaflet issued with the RA1 form.

30. Other Tax Credits

In this step you may deduct any other amounts, which qualify for tax credit such as:

- (a) tax credits for specific qualifications under the Deductions and Tax Credits (General and Specific Qualifications) Rules, 2005 (RA5 form) and those under the Deductions and Tax Credits (Relevant Qualifications for Industry) Rules, 2012 (RA10);
- (b) re-investment tax credit under the Reinvestment Tax Credit (Income Tax) Regulations, 2003 and the Reinvestment Tax Credit (Income Tax) Rules, 2005;
- (c) Investment tax credits under the Business Promotion Act [Reg 5];
- (d) MicroInvest tax credits and
- (e) Create tax credit.

When claiming any credits under this step it is important to indicate in the space provided the Act or Regulations under which you are claiming the tax credit. Furthermore, any such claims must be made on specific forms issued by the Department. These forms, which are available upon request from the Department, must

be filled in and, together with any supporting documents requested, attached to page 3 of the tax return.

For any further information please contact the Data Processing Section at the Inland Revenue Department on Tel: 2296 2107 or 2296 2123.

31. Total Tax Credits

Add boxes 28 to 30 and enter the total in box 31. If you are not claiming any tax credits enter "0".

32. Tax Due after deducting Tax Credits

Deduct box 31 from box 27 and enter the result in box 32.

NOTE: The total amount of tax credits entered in boxes 28 to 30 may never exceed the tax due for the year. Hence, if the result of this calculation is negative, insert "0" in box 32.

33. Relief from Double Taxation

In this step you may deduct the credit for the double taxation relief to which you are entitled in respect of tax paid in a foreign country. In order to arrive at the correct amount of the tax credit for double taxation relief the following information is needed:

- the amount of the doubly-taxed income (e.g. foreign interest €1,200);

- the amount of foreign tax (e.g. €180);
- the total income which was taxed in Malta – including the foreign interest (e.g. €15,600);
- the tax charged in Malta on the total income (in this case, €1,175).

It will be noticed that the rate at which foreign interest was taxed overseas was 15% (€180 divided by €1,200). The Malta effective rate is 7.5% (divide the Malta tax €1,175 by the total income €15,600).

The Malta rate is lower than the foreign rate of tax. The lower rate (7.5%) will be used to compute the amount of the credit in box 33.

Therefore this person may enter €90 in box 33 (obtained by multiplying €1,200 by the lower rate, 7.5%).

The tax in box 27 (€1,277) may be reduced further by the amount in box 33 (€90), that is the tax for 2012 is €1,175 – €90 = €1,085.

The above may be summarised as follows:

Double-taxed Income	1,200	Overseas Effective Rate= 180/1,200 =15%
Foreign Tax	180	

Total income Taxed in Malta	15,600	Malta effective Rate= 1,175/15,600 =7.5%
Malta Tax	1,175	

The lower rate is to be used to work out the amount of relief, i.e. €1,200 x 7.5% = €90.

Another example:

- A widower had foreign income of €3,500.
- Foreign tax was €525 (that is, at the rate of 15%).
- His total income (including the foreign income) was €24,500.
- Total Malta tax €3,900.

The foreign tax rate was 15% (€525 divided by €3,500).

The Malta effective rate was 15.9% (€3,900 divided by €24,500). The foreign rate was lower than the Malta rate therefore it will be this lower rate, which will be used to compute the credit due to him in box 33.

The credit is computed by multiplying €3,500 by the lower rate (15%), that is, €525.

The tax due by this individual for 2012 will be €3,900 – €525 = €3,375.

This may be summarised as follows:

Double-taxed Income	3,500	Overseas Effective Rate= $525/3,500$ =15%
Foreign Tax	525	
Total income Taxed in Malta	24,500	Malta effective Rate= $3,900/24,500$ =15.9%
Malta Tax	3,900	

In this case the amount of relief from double taxation is: €3,500 x 15% (the lower rate) = €525.

If you find difficulty in computing this credit, do not hesitate to ask for help from IRD staff who will be willing to help you calculate the credit in box 33 correctly.

34. Tax due after relief of double taxation

Deduct box 33 from box 32 and enter the result in box 34. The relief of double taxation cannot create a refund of tax. Hence, if the result of this calculation is negative, insert "0" in box 34.

TAX PAYMENTS

Payments of Tax during 2012

In order to make a correct self-assessment you will need to know

the tax paid during 2012 and the tax, which is still outstanding.

You will find the total of the provisional tax payments (if any) pre-printed in line 36, and the total of tax for capital gains in box 37.

These totals are not to include any payments for arrears of tax regarding years preceding 2012.

35. FSS Tax Deductions

In this step you should enter any FSS tax withheld during 2012 from employment income or local pensions. This amount can be found on the FS3 given to you by your employer or pension provider. For each separate amount of FSS tax deduction enter the PE number of your employer or pension provider and the amount of tax deductions made during 2012.

If in step 35 you are deducting the tax, which was deducted from your part-time employment income at the special 15% rate you must also include the part-time income in section 1.

Do not include in box 35 any tax deductions made from your emoluments, or any direct payments made by you, in respect of tax arrears for years preceding 2012.

These amounts, which are separately shown on your FS3, have no bearing

on the amount of tax due on this year's "Chargeable Income". Details of these payments have already been provided to the Inland Revenue Department directly by your employer.

36. Provisional Tax Payments

Here you will find printed the total of all provisional tax payments made for 2012. Check these amounts against the receipts.

Do not include any settlement tax amounts paid in respect of tax arrears for years preceding 2012.

Please note that, if during 2012 you have not paid provisional tax in accordance with the Provisional Tax Rules, you have become liable to pay additional provisional tax at the rate of 1% per month, or part thereof, up to the date of settlement of the provisional tax due. You will be notified of the exact amount of additional provisional tax due when you receive the tax statement.

37. Provisional Tax Paid on Capital Gains

In box 37 you will find the total of all payments made for the transfer of property, which were not subject to a final tax. Check the amounts against the receipts. Note that you may deduct such amount only if you have included the capital gain in box 12.

38. Tax at Source on Local Dividends

In this step you should only include tax deductions that were made (usually at 35%) from the local dividend income you included in box 9a.

39. Tax at Source on Sale of Agricultural Produce

For help on this part please refer to the explanatory booklet issued with the RA1 form.

40. Other Tax Payments

In this step you may deduct any other tax payments that refer to 2012, which were not included elsewhere in your tax return.

41. Total Tax Payments

Add the amounts in boxes 35a to 40 and enter the total in box 41. If you are not claiming any tax payments enter "0".

TAX UNDERPAID OR OVERPAID

In this section you are required to calculate whether you have underpaid or overpaid your income tax for 2012.

42. Tax Underpaid / Tax Overpaid

Check boxes 34 and 41:

1. If box 34 is higher than box 41 enter the difference in box 42a.

THIS MEANS THAT YOU HAVE NOT AID ALL THE TAX DUE FOR 2012.

The balance is to be paid by 30th June, 2013. You may send your payment by cheque, in the appropriate self-addressed light blue envelope provided. The cheque is to be addressed to the 'Director General (Inland Revenue)'. Alternatively you can pay online at www.ird.gov.mt or by using APS Internet Banking Service, HSBC Bank Malta plc's Internet Banking Services, the 24x7 Services of Bank of Valletta plc or through Banif@st Service of Banif Bank, quoting the Payment Reference Number found on the payment slip on page 4 of your return. If you fail to settle the balance for 2012 by the 30th June,

2013, you will be charged interest at 0.75% per month (9% per annum) on the outstanding amount.

2. If box 34 is lower than box 41 enter the difference in box 42b.

THIS MEANS THAT THE DEPARTMENT OWES YOU A REFUND FOR THE TAX YOU OVERPAID FOR 2012.

The Department will be repaying you the balance within 6 months from 30th June, 2013. If the refund is not paid to you by the end of December 2013, you will be due interest at the rate of 0.75% per month (9% per annum). Interest will start running from 1st January, 2014. However, said refund will not be issued unless you have submitted all your income tax and VAT returns where applicable.

3. If the amount in box 34 equals that in box 41, enter '0' in boxes 42a and 42b.

NOTES

LIST OF CHILD CARE CENTRES

NAME OF FACILITY

ABC CHILDCARE SERVICE
ALL C'EE'S CHILD CARE CENTRE
B KIDS SUMMER CLUB
BARNEY'S PLAYSCHOOL & DAY CARE CENTRE
BRIGHT SPARKS
CHILD JESUS EDU-CARE CENTRE
CHISWICK HOUSE SCHOOL
CREATIVE ENERGY
FLEURETTE SCHOOL OF MONTESSORI
FLUTTERBY
FRA DIEGO DAY CARE CENTRE
FUN LAND SUMMER KIDS
FUN LEARN CENTRE
GARENDON
GIGGLES
HAPPY DAYS CHILDCARE CENTRE
HAPPY KIDZ
HI KIDS SUMMER ENCOUNTER – HAMRUN/ZEJTUN
ID-DENFIL CHILD CARE CENTRE
IL-BEBBUXU SMARTKIDS DAY CARE & FAMILY SUPPORT CENTRE
IL-BEJTA CHILD CARE CENTRE
IL-MERILL CHILDCARE CENTRE
IL-PASSJU (E.T.C.)
IL-PESPUS SMART KIDS DAY CARE AND FAMILY SUPPORT CENTRE
IT-TAJRA CHILDCARE FACILITY
IT-TBISSIMA SMART KIDS DAY CARE AND FAMILY SUPPORT CENTRE
IT-TGHANNIQA SMART KIDS DAY CARE AND FAMILY SUPPORT CENTRE
JACK & JILLS DAY CARE – BURMARRAD/B'KARA
JOLLY JUMPERS NURSERY AND CHILDCARE
KAELL'S CHILD CARE CENTRE
KID'S HAVEN CENTRE
KIDSTART CHILDCARE AND DEVELOPMENT CENTRE
KLABB 3-16 – B'KARA/ FGURA/M'SCALA/QORMI/MOSTA/SAN ĠWANN/
ST. PAUL'S BAY/ ZURRIEQ
KLABB SAJF
LEARN AND PLAY SUMMER KIDS CLUB
LELLUXA CHILDCARE CENTRE
LITTLE THUNDERZ
LITTLE TOTS

LIST OF CHILD CARE CENTRES

LITTLE EINSTEINS SUMMER CLUB – GUDJA/ST. VENERA
MAGIC WONDERS
MARIA ĠUŻEPPINA CURMI DAY CARE CENTRE
ME2 SUMMER SCHOOL
MICKEY'S CHILD CARE DAY CENTRE – HAMRUN/ŻEJTUN
NANNA KOLA CHILDCARE CENTRE
NEMO CHILDCARE CENTRE
NEVERLAND
NIKI'S NURSERY SCHOOL
NODDY'S KINDERGARTEN
PARTYTRAP SUMMER CLUB
PEPPRINA CHILDCARE CENTRE
PLANET KIDS
SAN ANDREA SCHOOL
SAN ANTON DAY CARE CENTRE
SHARON'S NURSERY
SMARTKIDS – QAWRA
SMARTKIDS DAY CENTRE AND FAMILY SUPPORT – BIRGU/B'KARA
SPORTS 4 KIDS
ST CECILIA'S KINDERGARTEN – ATTARD/TARXIEN
ST JOAN ANTIDE SCHOOL
ST JOSEPH DAY CARE CENTRE
ST MARTIN'S COLLEGE
ST MICHAEL SCHOOL
ST PAULA CHILDCARE/PLAYCENTRE
ST PAUL MARSALFORN SUMMER SCHOOL
STEPPING STONES CHILD DAY CENTRE
STEPPING STONES CHILD CARE & EARLY CENTRE
SUMMER ACTIVE KIDZ
SUMMER CLUB 2012
TEDDIES CHILDCARE CENTRE
TENDER LOVING CARE CHILDCARE CENTRE –FGURA/M'SCALA
THE DAYCARE CENTRE & NURSERY SCHOOL
THE INSPIRE FOUNDATION
THI LAKIN SCHOOL
TINY TOTS
TODDLER'S TIME
VICTORIA NURSERY SCHOOL
ZOO SUMMER CLUB

LIST OF HOMES FOR THE ELDERLY

NAME OF HOME	ADDRESS	LOCALITY
Dar tal-Kleru	Anglu Grima Street	Fleur de Lys
Dar San Guzepp	Hospital Square	Faż-Żebbug
Dar Sant'Anna	Cornelio Dingli Street.....	Senglea
Dar Saura	Nikolo Sarria Street.....	Rabat
Dar Sagra Familja.....	Marquis Scicluna Street.....	Naxxar
Casa Leone XIII.....	Sacred Heart Avenue.....	San Ġiljan
Dar Hanin Samaritan	Il-Palazz I-Ahmar Street	Santa Venera
St. Catherine's Home	Il-Pitkali Street	Attard
Dar San Pietru	Sir Ugo Mifsud Street	Hal-Lija
Dar Trionfi.....	Sant'Ursola Street	Rabat
St. Domenic Home	Enrico Mizzi Street.....	Victoria
Apap Institute	St. Joseph Institute Rd.	Santa Venera
St.Paul's Home	Little Sisters of the Poor	Hamrun
St.Theresa	Castle Hill	Victoria
Pax et Bonum	Gerolamo Cassar Str.	Mosta
Porziuncola Home	Father Edgar Street	Mgarr
Dar Madre Margerita.....	Main Street.....	Qormi
Marina Palace Home	Msida Seafront	Msida
Medina Home.....	Labour Avenue.....	Rabat
Age Concern	Independence Ave	Mosta
Casa Antonia.....	Pope Alexander VII Junction	Balzan
Casa Serena	Sir Luigi Preziosi Sqr.	Bugibba
Casa Arkati.....	Constitution Street	Mosta
Villa Messina	St.Dominic Sqr.	Rabat
Sa Maison	Marina Street.....	Pietà
Villa Robinich	Il-Kulvert Street.....	Fgura
Charella Residential Homes	The Strand.....	Sliema
Long Term Care and Capua Geriatric Ward Hospital.....	Borg Olivier Street	Sliema
St Mark's Residential Home.....	Clarence Street	Msida
The Charian Residence	Salini Street.....	Marsaskala
Roseville	85, St Anthony Street	Attard
Villa San Lawrenz	Ta' Ċangura Street.....	San Lawrenz -Gozo

LIST OF PRIVATE INDEPENDENT SCHOOLS

NAME OF FACILITY	LOCALITY
Chiswick House	Kappara
Fleurette School of Montessori	Kappara
Garendon	Żebbuġ
Kidstart Childcare and Development Centre	Santa Venera
Mariam Al Batool School.....	Paola
Newark Kindergarten	Sliema
Newark Junior School	Gzira
Niki's Nursery	Sliema
Noddy's Kinder	Sliema
QSI International School of Malta	Mosta
San Andrea School.....	L/O Żebbiegħ
San Anton School.....	L/O Żebbiegħ
San Jose Secondary School.....	Birkirkara
St Edwards.....	Birgu
St Martin's College	Swatar
St Michael's.....	Pembroke
St Michael's Foundation	San Ġwann
St Catherine's School	Pembroke
St Cecilia's Day Care Centre	Tarxien
St Cecilia's Day Care Centre	Attard
St Paula Early Education Centre	Żebbuġ
Thi Lakin.....	Attard
Verdala International	Pembroke
Victoria Nursery.....	Naxxar

FILLING OF INCOME TAX RETURNS IN SCHOOLS

The Inland Revenue Department will be providing assistance in the filling of the Income Tax Return. For this purpose, officers from the Department will be available at the under-mentioned Government Schools on the dates and times shown hereunder.

The Taxpayer Service at the Inland Revenue Department in Floriana and in Victoria, Gozo, will also open to the public during these two Saturdays between 8.00 am and 1.00pm.

Taxpayers are asked to bring together with the Income Tax Return all relevant supporting documents, including I.D. Card; F.S.3 for employment income; pension statements; Profit and Loss Account; dividend warrants (original); interest certificates (original); capital gains computation.

SATURDAY 15th JUNE 2013 – from 8.00am to 1.00pm

B'KARA 'A' BRARED STREET
QORMI (SAN BASTJAN) NARBONA SQUARE
SLIEMA..... ISOUARD STREET
ŽABBAR 'B' TUMAS DINGLI STREET
BLOCK 4, INLAND REV. DEPT., FLORIANA V. DIMECH STREET
INLAND REV. DEPT, VICTORIA, GOZO ENRICO MIZZI STREET

SATURDAY 22nd JUNE 2013 – from 8.00am to 1.00pm

BORMLA 'C' ALEXANDER STREET
HAMRUN 'C' ĠUŽÈ PACE STREET
PAOLA 'A' ĠUŽÈ D'AMATO STREET
MOSTA 'A' GROGNET STREET
BLOCK 4, INLAND REVENUE. DEPT., FLORIANA V. DIMECH STREET
INLAND REVENUE DEPT, VICTORIA, GOZO..... ENRICO MIZZI STREET

TAX RATES

SINGLE RATES

Chargeable Income	Multiply by	Subtract
0 – 8,500	0	0
8,501 – 14,500	0.15	1,275
14,501 – 19,500	0.25	2,725
19,501 & over	0.35	4,675

MARRIED RATES

Chargeable Income	Multiply by	Subtract
0 – 11,900	0	0
11,901 – 21,200	0.15	1,785
21,201 – 28,700	0.25	3,905
28,701 & over	0.35	6,775

PARENT RATES

Chargeable Income	Multiply by	Subtract
0 – 9,300	0	0
9,301 – 15,800	0.15	1,395
15,801 – 21,200	0.25	2,975
21,201 & over	0.35	5,095

Different rates of tax apply to non-residents.

A copy of the relative tax rates can be obtained from the IRD Taxpayer Service Section or the IRD website.

In the case of a married couple, the “married” rates are applicable only if the two spouses are resident in Malta.