



# SWAZILAND GOVERNMENT GAZETTE EXTRAORDINARY

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VOL. XXXIV]

MBABANE, Thursday, March 28th., 1996

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**THE INCOME TAX (AMENDMENT) BILL, 1996**

(Bill No. 3 of 1996)

(To be presented by the Minister of Finance)

**MEMORANDUM OF OBJECTS AND REASONS**

The object of the Bill is to amend the Income Tax Order, 1975 so as to provide for the exemption of amounts payable as severance allowance or notice pay and the partial exemption from normal tax of lump sum payments received in the case of an employee's retrenchment.

**S. H. ZWANE**  
*Attorney-General*

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**AN ACT**

entitled

An Act to amend the Income Tax Order, 1975.

ENACTED by the King and the Parliament of Swaziland.

*Short title and commencement.*

1. This Act may be cited as the Income Tax (Amendment) Act, 1996 and shall be read as one with the Income Tax Order, 1975 (hereinafter referred to as "the Order") and shall be deemed to have come into force on the 1st July, 1995.

*Amendment of section 12.*

2. Section 12 (1) of the Order is amended -

(a) in paragraph (j) by replacing sub-paragraph (iii) with the following -

"(iii) any amount payable as severance allowance and, or, notice pay under the Employment Act."

(b) by the insertion of the following new paragraph immediately after paragraph (j) -

"(jj) So much of the total amount being a lump sum referred to in paragraph (b) of the definition of "gross income" as does not exceed ten thousand Emalangeni received by or accrued to any person upon or because of the termination or impending termination of such persons services due to his employer having ceased carrying on the trade in respect of which such person was employed or to such person having become redundant in consequence of his employer having effected a general reduction in personnel or a reduction in personnel of a particular class."

*Amendment of section 61.*

3. Section 61 (6) of the Order is amended before the words "The Minister" by inserting the words "Notwithstanding any other provision in this Order," and by replacing the letter "T" in the word "The" before the word "Minister with the letter "t".