

## INCOME TAX

In the future, subscriptions to professional bodies may be allowed as deductions from assessable emoluments.

The following notes appear on the reverse of the relevant claim form :—

‘ 1. Section 16. Finance Act, 1958, provides that, commencing with the year to 5 April, 1959, an office holder or employee who defrays out of his emoluments a statutory fee or contribution, or an annual subscription to a professional body, learned society, etc., may be entitled, as explained below, to a deduction from the amount of his emoluments assessable to income tax under Schedule E.

‘ 2. (Omitted : not relevant).

‘ 3. Annual subscriptions to professional bodies, learned societies, etc.—An annual subscription is eligible for deduction only if it is payable to a professional body, learned society, etc. (hereinafter referred to as a Society) approved by the Commissioners of Inland Revenue. For this purpose the Commissioners may, on the application of a Society, approve that Society if it is not of a mainly local character and its activities are carried out on otherwise than for profit and are solely or mainly directed to all or any of the following objects :—

- (a) The advancement or spreading of knowledge (whether generally or among persons belonging to the same or similar professions or occupying the same or similar positions) ;
- (b) The maintenance or improvement of standards of conduct and competence among the members of any profession ;
- (c) The indemnification or protection of members of any profession against claims in respect of liabilities incurred by them in the exercise of their profession.

If the activities of a Society so approved are to a significant extent directed to objects other than those mentioned in (a), (b) and (c) above, the Commissioners may determine that a specified part only of the annual subscription may be allowed as a deduction.

‘ An annual subscription (or part thereof) paid to a Society which has been approved may be allowed as a deduction provided that the activities of the Society, so far as they are directed to the objects mentioned in (a), (b) and (c) above, are relevant to the office or employment, that is to say, the performance of the duties of the office or employment is directly affected by the knowledge concerned or involves the exercise of the profession concerned.

‘ When a Society is approved by the Commissioners of Inland Revenue it is asked to notify its members. A claim cannot be allowed in respect of a subscription to a Society which has not been approved.’

The Institution of Mechanical Engineers and the Institute of Marine Engineers have been approved by the Commissioners of Inland Revenue, and notices to this effect appeared in the November, 1958, issues of *The Chartered Mechanical Engineer* and the *Transactions of the Institute of Marine Engineers*.

The Institution of Electrical Engineers and the Institution of Naval Architects, among others, are similarly approved.

While the outcome of any claim cannot be forecast, it appears that the proviso in the penultimate paragraph of Note 3 above is applicable in general

to the office or employment of engineer officers, at least in respect to membership of the two former bodies.

Application forms P358 ' Claim in respect of Statutory Fees and Contributions and Annual Subscriptions to Professional Bodies, Learned Societies, etc.' may be obtained from local Taxation Officers and should be forwarded to H.M. Inspector of Taxes.

Naval Pay Regulations. Art. 918, is to be amended to include mention of this relief.

---