



Falkland Islands Government Taxation Office

Individuals Non-Resident for Income Tax Purposes:
'Worldwide Income' Claim

Section 195(3) Taxes Ordinance 1997

There are various sources of income from the Falkland Islands (FI) (property, pensions etc.) which are taxable under the FI taxes legislation on non-residents.

If you are a non-resident taxpayer who spends no time here you will not get any Personal Allowance (PA) against your income. This is the combined effect of Section 195 Taxes Ordinance 1997 and the Apportionment of Deductions Rules 1997, which restricts PA according to the amount of time spent in FI.

As an alternative to being taxed with no PA, if you are a non-resident **[and are aged 60 or older in the year being assessed]** you can make a claim under Section 195(3) Taxes Ordinance 1997, to have your tax here calculated as a proportion of your worldwide income. Therefore if you are aged 60 years or more in the year prior to the year of assessment you are eligible to make such an election.

In this case we calculate what your tax charge would have been had you been chargeable on your income from all sources worldwide giving you full allowances as if you were tax resident, and then calculate the FI portion of this. The steps we take are:

- 1 Calculate your total income from all worldwide sources,
 - 2 Give you allowances as appropriate,
 - 3 Calculate the tax charge applying normal tax rates and bands.
 - 4 Calculate the proportion of your total income (before deductions e.g. any apportioned personal allowance entitlement) which is actually chargeable here,
 - 5 Apply that proportion to the overall tax figure.
- A. You get the full allowances in this calculation because Rule 4(3) of the Apportionment of Deductions Rules 1997 says that no apportionment is to be applied when you elect under section 195(3) Taxes Ordinance 1997.
- B. A claim is required under this section.