

TR 35

Facts

A company is mainly engaged in the construction of golf courses of international standard. The construction of a golf course includes among other 'works' the leveling of land, landscaping, the construction of drainage system, the preparation of soil, construction of the basement for the purpose of installation of irrigation equipment and concrete works.

Point at issue

Whether the company engaged in the construction of golf courses is liable to income tax at the rate of 15%.

Ruling (issued in April 2004)

The company cannot be considered as a manufacturing company as defined in Section 2 of the Income Tax Act 1995. As it does not qualify as a tax incentive company, it is liable to income tax at the normal rate of 25%.