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Greenland Landsting Act no. 9 of 5 December 2008 to amend Greenland Landsting Act on Income Tax

(Clarification of tax liability for personal services on board ships and aircrafts, interest deduction cap on mortgages related to foreign property and extended scope of loss carry-forward provision for specific licensees)

Section 1

The following amendments shall be made to Greenland Landsting Act no. 12 of 2 November 2006 on Income Tax, as most recently amended by Greenland Landsting Act no. 11 of 15 November 2007:

1. The following shall be inserted as new section 1(2):

"(2). The provision in subsection (1) para. 2 will also apply to persons who receive any form of payment for personal work on board ships or aircrafts or for work carried out in relation hereto where the ship or aircraft:

1) is registered in Greenland,

2) is registered in Denmark, the Faroe Islands or abroad if the ship or aircraft is bare-boat chartered by a company, etc. which is liable to tax under the provisions in subsection (1) paras. 3-14, section 2(1) paras. 10-12 and 14 or an individual who is liable to tax under the provisions in subsection (1), paras. 1 and 2, section 2(1) paras. 10-12 and 14,

3) is owned or operated by a shipping company or airline company which has its place of management in Greenland, or

4) is permanently stationed for service all year in Greenland.

The provisions in nos. 1-3 will not apply where a Danish, Faroese or foreign shipping company or airline company bareboat charters a ship or aircraft."

Subsection (2) will subsequently become subsection (3).

2. The following shall be deleted in section 2(1) para. 1:

"or on board ships or aircrafts registered in Greenland,"

3. In section 2(1), the following shall be inserted as new para 17:

"17) receive any form of payment for personal work on board ships or aircrafts or for work carried out in relation hereto where the ship or aircraft:

a) is registered in Greenland,

b) is registered in Denmark, the Faroe Islands or abroad if the ship or aircraft is bare-boat chartered by a company, etc. which is liable to tax under the provisions in section 1(1) paras. 3-14, section 2(1) paras. 10-12 and 14 or an individual who is liable to tax under the provisions in section 1(1), nos. 1 and 2, section 2(1) paras. 10-12 and 14,

c) is owned or operated by a shipping company or airline company which has its de facto place of management in Greenland, or

d) is stationed for service all year in Greenland.

The provisions in a)-c) will not apply where a Danish, Faroese or foreign shipping company or airline company bareboat charters a ship or aircraft."

4. Section 15(4) shall be worded as follows:

"(4). The owner of real property located outside Greenland shall not include the following in the taxable income:

- 1) income and expenses,
- 2) interest expenses on loans for the purchase or operation of the property,
- 3) interest expenses on loans secured by the property."

5. In section 29(1), the following shall be inserted after "pursuant to the Greenland Parliament Act on mineral resources and mineral resource activities,":

"Greenland Landsting Act on exploitation of ice and water for export,".

6. In section 30(8), the following shall be inserted after "pursuant to the Greenland Parliament Act on mineral resources and mineral resource activities,":

"Greenland Landsting Act on exploitation of ice and water for export,".

7. In section 32(3), the following shall be inserted after "pursuant to the Greenland Parliament Act on mineral resources and mineral resource activities":

"Greenland Landsting Act on exploitation of ice and water for export,".

8. Section 68(2) and (3) shall be worded as follows:

"(2). In the event that the affiliation referred to in subsection (1) is in an area that is not located within any defined municipality, or the taxpayer has been awarded an exploitation licence in accordance with the Greenland Parliament Act on mineral resources and mineral resource activities and the Greenland Landsting Act on exploitation of ice and water for export, the tax administration (Skattedirektoratet) shall be the tax assessment authority. The tax administration (Skattedirektoratet) shall also be the designated tax assessment authority for taxpayers who have been awarded an exploration licence and who only perform activities pursuant to a licence granted under the Greenland Parliament Act on mineral resources and mineral resource activities, or the Greenland Landsting Act on exploitation of ice and water for export, and taxpayers who fall within the scope of section 32(3).

(3) In the event that a municipal council or a taxpayer consider that the designated tax assessment authority is not the correct authority, an objection can be filed against the municipal council in the

designated tax assessment municipality before the end of the income year in question. Where the designated tax assessment authority is the tax administration (Skattedirektoratet), cf. subsection (2), the objection is raised against the tax administration. In case of doubt, the tax administration (Skattedirektoratet) will decide which municipality shall be the tax assessment authority. However, any case of doubt where the tax administration has been designated as tax assessment authority will be settled by the Government of Greenland (Landsstyret).

9. In Section 85, "1st April" shall be changed to "1st May".

Section 2

This Act shall enter into force on 1 January 2009.

Greenland Home Rule Government, 5 December 2008

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