

(8) If subsection (3) applies to a depreciable asset for a tax year-

(a) the written down value of the asset for the purposes of subsections (5) and (7) is computed on the basis that the asset has been used solely to derive taxable business income included in gross income;

(b) the amount included in gross income under subsection (7)(a) or the amount allowed under subsection (7)(b) is apportioned in accordance with subsection (3).

(9) For the purposes of this section, if the cost of a depreciable asset being a passenger transport vehicle (other than a bus, taxi, or hire car) exceeds two hundred thousand dalasis, the cost of the vehicle is limited to that amount.

(10) If subsection (9) applies, the written down value of the passenger transport vehicle for the purposes of subsection (7) is computed as if the limitation in subsection (9) had not been in effect.

(11) The cost of a structural improvement to immovable property does not include the cost of the land.

(12) In this section -

"depreciable asset" means any tangible movable property or structural improvement to immovable property, owned by a person that -

(a) has a normal useful life exceeding one year;

(b) is likely to lose value as a result of normal wear and tear, or obsolescence; and

(c) is used wholly or partly by the person in deriving business income included in gross income; and

"structural improvement", in relation to immovable property, includes any building, road, driveway, car park, railway line, pipeline, bridge, tunnel, airport runway, canal, dock, wharf, retaining wall, fence, power lines, water or sewerage pipes, drainage, landscaping, or dam.

### 37. Initial allowance

(1) A person who places an eligible depreciable asset into service in The Gambia for the first time in a tax year is allowed

a deduction (referred to as an "initial allowance") computed in accordance with subsection (2), provided the asset is wholly and exclusively used by the person in deriving business income included in gross income.

(2) The amount of the initial allowance of a person is twenty per cent of the cost of the asset or ten per cent for buildings, structures or works of a permanent nature.

(3) In this section, "eligible depreciable asset" means a depreciable asset that is plant or machinery, but does not include-

(a) a passenger transport vehicle, other than a bus, taxi, or hire car;

(b) furniture, including fittings; and

(c) plant or machinery acquired second hand.

### 38. Intangible assets

(1) A person is allowed a deduction (referred to as an "amortisation deduction") in accordance with this section for the cost of an intangible asset wholly or partly used by the person in a tax year in deriving business income included in gross income.

(2) Subject to subsection (6), the amortisation deduction of a person for a tax year is computed according to the following formula -

$$\frac{A}{B}$$

where -

A is the cost of the intangible asset; and

B is the useful life of the intangible asset in whole years.

(3) An intangible asset -

(a) with a useful life of more than ten years; or

(b) that does not have an ascertainable useful life, is treated as having a useful life of ten years.

(4) If an intangible asset is used in a tax year partly in deriving business income included in gross income and partly for another use, the amortisation deduction for that year is