

# THE INCOME TAX (AMENDMENT) BILL 1992

(NAME OF BILL)

CONTENTS: Bill  
Objects and Reasons  
Notice of Presentation  
Covering letter from Minister to Clerk to Parliament  
(Authorisation from Minister of Finance under s.60 of Constitution)

✓ FROM: Attorney General's Chambers 3/12/92

✓ TO: Minister *[Signature]*  
(for signing Objects & Reasons, Notice of Presentation and covering letter to Clerk)

✓ TO: Minister of Finance *[Signature]* 3/12/92  
(for signing of letter to Clerk signifying Cabinet approval under s.60 of Constitution)

✓ TO: Clerk to National Parliament 3/12/92  
(for certificate by Speaker) *[Signature]*

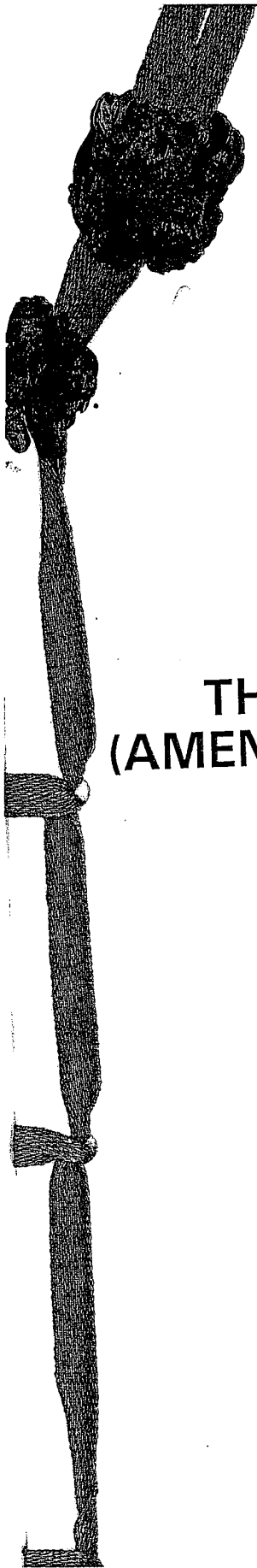
✓ TO: Attorney General's Chambers  
(for printing)

✓ TO: Clerk to National Parliament  
(for reference during 1st, 2nd and 3rd Readings)  
(Date passed: 4/12/92 Act No. 12/92)

✓ TO: Attorney General's Chambers *[Signature]*  
(for checking before Assent) 2/12/92

TO: Governor-General *[Signature]*  
(for Assent) 16/12/92

TO: Clerk to National Parliament *[Signature]* 18.12.92  
(for distribution: 1 copy Attorney General's Chambers  
1 copy Ministry  
1 copy Parliament Office  
1 copy Registrar of the High Court)



# THE INCOME TAX (AMENDMENT) ACT 1992

(NO. 12 OF 1992)



# THE INCOME TAX (AMENDMENT) ACT 1992

(NO. 12 OF 1992)

*Passed by the National Parliament this fourth day of December 1992.*

*This printed impression has been carefully compared by me with the Bill passed by Parliament and found by me to be a true and correct copy of the said Bill.*

*J.M. Tuhaika  
Clerk to National Parliament*

*Assented to in Her Majesty's name and on Her Majesty's behalf this sixteenth day of December 1992.*

*G.G.D. Lepping  
Governor-General*

*Date of commencement: see section 1.*

AN ACT To Amend the Income Tax Act.

ENACTED by the National Parliament of Solomon Islands.

## THE INCOME TAX (AMENDMENT) ACT 1992

## ARRANGEMENT OF SECTIONS

## Section:

1. Short title and commencement.
2. Repeal and replacement of section 23 of Cap. 61.
3. Amendment of section 32B.
4. Amendment of section 34.
5. Amendment of section 42.
6. Insertion of new sections 47A, 47B and 47C.
7. Insertion of new sections 48B and 48C.
8. Amendment of section 50A.
9. Repeal and replacement of Eighth Schedule.

1. This Act may be cited as the Income Tax (Amendment) Act 1992, and shall come into operation on such date as the Minister may appoint, by notice published in the Gazette.

Short title  
and com-  
mencement.

2. Section 23 of the Income tax Act (hereinafter referred to as the "principal Act") is hereby repealed and the following new section substituted therefor -

Repeal and  
replacement  
of section  
23 of  
Cap. 61.

"Basic 23. An individual shall be entitled to a personal personal exemption of five thousand one hundred dollars." exemptions.

3. Section 32B of the principal Act is hereby amended in the following respects -

Amendment  
of section  
32B.

- (a) in subsection (1) by deleting the words "subsection (2)," and substituting therefor the words "subsections (2) and (3),";
- (b) in subsection (2) by deleting from paragraph (c) the words "exemptions" and substituting therefor the word "incentives"; and
- (c) by adding next after subsection (2) the following new subsection as subsection (3) thereof -

"(3) The Commissioner in determining the tax payable under the provisions of subsection (1) shall -

- (a) where the provisions of section 14A(1) apply take into consideration the quantum of dividend paid, the exemptions or incentives granted and the nature and extent of the losses incurred by such person; and
- (b) in calculating the turnover tax of an individual who is in paid employment and is also in receipt of business income, exclude such person's income from employment from the total income, provided the tax due from such paid employment has been deducted and paid to the Commissioner."

4. Subsection (2) of section 34 is hereby amended by deleting from the definition of "professional services" the words "where the services are rendered wholly or partly in Solomon Islands to the extent that such payments do not constitute" and substituting therefor the words "on behalf of a person or entity resident in Solomon Islands (whether such services are rendered wholly or partly in Solomon Islands or outside Solomon Islands) to the extent that such payments do not constitute".

Amendment  
of section  
34.

Amendment of section 42. 5. The proviso to subsection (1) of section 42 is hereby amended by deleting the words "two thousand seven hundred" and substituting therefor the words "five thousand one hundred".

Insertion of new sections 47A, 47B and 47C.

6. The principal Act is hereby amended by inserting therein next after section 47 the following new sections as sections 47A, 47B and 47C respectively -

"Notice 47A. (1) Every person who is a liquidator of any within company which is being wound-up, shall, within fourteen days after he has become liquidator of that company, days and give notice in writing to the Commissioner of his duties of appointment as liquidator.

liquidator. (2) The Commissioner shall, as soon as practicable thereafter, notify the liquidator the amount which appears to the Commissioner to be sufficient to provide for any tax which then is or will thereafter become payable by the company.

(3) Subject to subsection (4), the liquidator -

(a) shall not, without the leave of the Commissioner, part with any of the assets of the company until the liquidator has been so notified;

(b) shall set aside, out of the assets available for payment of ordinary debts of the company, assets to the value of an amount that bears to the value of the assets available for payment of ordinary debts of the company the same proportion as the amount notified by the Commissioner under subsection (2) bears to the sum of -

(i) the amount notified by the Commissioner under subsection (2);

(ii) the aggregate of the ordinary debts of the company; and

(c) is, to the extent of the value of the assets that the liquidator is so required to set aside, liable as trustee to pay the tax.

(4) Nothing in subsection 3(a) prevents the liquidator parting with assets of the company for the purpose of paying debts of the company that are not ordinary debts of the company.

(5) For the purposes of subsections (3) and (4), a debt of the company is an ordinary debt if -

- (a) the debt is an unsecured debt; and
- (b) the debt is not required, under the laws of Solomon Islands to be paid in priority to some or all of the other debts of the company.

(6) If the liquidator refuses or fails to comply with any provision of this section or refuses or fails as trustee to pay the tax for which the liquidator is liable under subsection (3), the liquidator -

- (a) is, to the extent of the value of the assets that the liquidator is required under subsection (3) to set aside, personally liable to pay the tax; and
- (b) is guilty of an offence punishable on conviction by a fine not exceeding one thousand dollars.

(7) Where more persons than one are appointed as liquidators or required by law to carry out the winding-up, the obligations and liabilities attaching to a liquidator under this section shall attach to each of such persons:

Provided that where any of the tax due in respect of the company being wound-up, the other person or persons shall be liable to pay that person each his equal share of the amount of the tax so paid.

Notice of intention to wind-up and liability of agent.

47B. (1) Where an agent for an absentee principal has been required by the principal to wind-up the business of his principal he shall, before taking any steps to wind-up the business, notify the Commissioner of his intention so to do, and shall set aside such sum out of the assets of the principal as appears to the Commissioner to be sufficient to provide for any tax that becomes payable.

(2) Any agent who refuses to give notice to the Commissioner or refuses or fails to provide for payment of the tax as required by this section shall be personally liable for any tax that becomes payable in respect of the business of the principal.

Obligations and authority of agents and trustees.

47C. With respect to every agent and with respect also to every trustee, the following provisions shall apply -

- (a) he shall be answerable as taxpayer for doing of all such things as are required to be done by virtue of this Act;
- (b) he shall, make returns and be chargeable with tax in his representative capacity;

- (c) if he is an executor or administrator, the returns shall be the same as far as practicable as the deceased person, if living, would have been liable to make;
- (d) where as agent or trustee he pays tax, he is hereby authorised to recover the amount so paid from the person on whose behalf he paid it, or to deduct it from any money in his hands belonging to that person;
- (e) he is hereby authorised and required to retain from time to time out of any money which comes to him in his representative capacity so as is sufficient to pay tax which is or will become due in respect of such sale value;
- (f) he is hereby indemnified for all payments which he makes in pursuance of this Act or by the requirements to the Commissioner; and
- (g) for the purpose of ensuring the payment of tax the Commissioner shall have the same remedies against attachable property of any kind vested in or under the control or management or in the possession of any agent or trustee, as he would have against the property of any other tax payment in respect of tax, and in as full and ample manner."

Insertion of  
new sections  
48B and 48C.

7. The principal Act is hereby amended by inserting therein immediately after section 48A the following new sections as sections 48B and 48C respectively.

"Returns 48B. Every person who is required under this Act to be deduct tax at the withholding rates from gross payments made by made, shall furnish quarterly returns to the Commissioner persons in respect of the payments made, within twenty days of making the month following 30th March, 30th June, 30th gross September and 30th December. payments.

Penalty 48C. Where a person fails to furnish the for Commissioner with a return as required under section failure 48B, such person shall be liable -

- to fur- (a) to a penalty of a sum of five hundred dollars;
- nish and
- returns. (b) to pay an additional penalty of fifty dollars in



8. Subsection (3) of section 50A is hereby deleted and the following new subsection substituted therefor -

Amendment  
of section  
50A.

“ “record” includes any book, account, deed, writing, document and any other source of information compiled, recorded or stored in written form, or on microfilm, or by electric process, or in any other manner or by any other means.”.

9. The Eighth Schedule to the principal Act is hereby repealed and the following new Schedule substituted therefore -

Repeal and  
replacement  
of Eighth  
Schedule.

“EIGHTH SCHEDULE  
(Section 31)

Rates of Individual Income Tax

Income Bracket	Rate
\$1 to \$15,000.00	\$0.11
\$15,001.00 to \$30,000.00	\$0.23
\$30,001.00 and over	\$0.35”.

