



I assent.

(L.S.)

P.K. GANILAU

President

[8 March, 1993]

AN ACT

TO AMEND THE INCOME TAX ACT.

[1 January, 1993]

ENACTED by the Parliament of Fiji-

Short title and commencement

- 1.(1) This Act may be cited as the Income Tax (Amendment) (No. 1) Act, 1993.
- (2) Except as otherwise provided, this Act shall be deemed to have come into force on the 1st day of January, 1993.

Interpretation

2. The Income Tax Act is, in this Act, referred to as the principal Act.

Section 3 amended

3. Section 3 of the principal Act is amended -
 - (a) in subsection (2), by adding immediately after the word "called" in line 3 the phrase "Chief Assessor or"; and
 - (b) in subsection (3), by inserting a comma immediately after the word "Commissioner" in line 4 and adding immediately thereafter the phrase "or a Chief Assessor."

Section 7 amended

- 4.(1) Section 7 of the principal Act is amended by inserting immediately after Section 7A the following -

"7B (1) Where, in accordance with this Act, a person (not being a company) is liable, in respect of the year of assessment commencing on 1st January 1992, to pay both basic tax and normal tax, the following method of assessment shall be used:

- (a) Income derived in or during the period 1st January 1992 to 30 June 1992 shall be deemed to have been derived in or during period (A), and income derived in or during the period 1st July 1992 to 31st December 1992 shall be deemed to have been derived in or during period (B).

- (b) Period (A) income and Period (B) income shall each be proportionately increased to a notional annual income by the use of the formula:

$$NA1 = I \times \frac{365}{D}$$

Where NA1 = Notional Annual Income

I = Either Period A income or Period B income

D = Number of days in the period over which income was derived.

- (c) Assessment to tax, according to the taxes, rates and allowances applicable to each Period shall be made on the notional annual income of each Period. The tax due for each period will be calculated according to the formula:

$$T = TA \times \frac{D}{365}$$

Where T = Tax due for Period A or Period B

TA = Tax assessed on the notional annual income, as hereinbefore provided

D = Number of days in the Period over which the income was derived.

- (d) The total tax for the year of assessment shall be the aggregate of the tax due in respect of Period (A) and the tax due in respect of Period (B)".

- (2) Subsection (1) of this Section shall be deemed to have come into force on the 1st day of January, 1992.

Section 17 amended

5. Section 17 of the principal Act is amended by substituting a semi-colon for the fullstop at the end of paragraph (53) and inserting the following paragraph immediately thereafter:

"(54) The income derived by the Taisei Corporation of Japan regarding the redevelopment of the Fiji School of Medicine and the Colonial War Memorial Hospital, in accordance with the Diplomatic Notes dated 23 July, 1991 exchanged between the Government of Japan and the Government of the Republic of Fiji."

Section 21 amended

6. Section 21 of the principal Act is amended by substituting the following for all the words, symbols and figures appearing after the word and punctuation "scale:-" in subsection (2):

"Where, but for the provisions of this subsection, the total income (including dividends) of the taxpayer for the year -	Percentage of such dividends to be deducted
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would not exceed \$10,000	100 per cent
would exceed \$10,000 but not exceeding \$12,000	80 per cent
would exceed \$12,000 but not exceeding \$15,000	60 per cent
would exceed \$15,000	50 per cent

Section 61 amended

7. Subsection (2) of Section 61 of the principal Act is amended by adding immediately after the word "costs" in line 4, the following phrase "under this Act, or the Value Added Tax Decree 1991, or the Gambling Turnover Tax Decree 1991."

Section 78 amended

8. Subsection (2) of Section 78 of the principal Act is amended by adding immediately before the comma in line 3, the following phrase "or the Value Added Tax Decree 1991 or the Gambling Turnover Tax Decree 1991."

Rates of normal tax

- 9.(1) The Fourth Schedule to the principal Act is repealed and replaced by the following schedule:

"FOURTH SCHEDULE
(Section 7)

**RATES OF NORMAL TAX FOR INDIVIDUALS, ESTATES OF
DECEASED PERSONS, TRUSTS AND SETTLEMENTS:**

A. RESIDENTS

Chargeable Income \$	Tax Payable \$
0 - 4500	Nil
4501 - 7000	Nil + 15% of excess over \$ 4,500
7001 - 15000	375 + 25% of excess over \$ 7,000
15001 +	2375 + 35% of excess over \$15,000

B. NON-RESIDENTS

Chargeable Income \$	Tax Payable \$
0 - 4500	Nil + 20% of excess over 0
4501 - 7000	900 + 25% of excess over 4500
7001 - 15000	1525 + 30% of excess over 7000
15001 +	3925 + 35% of excess over 15000

C. COMPANIES

- (i) Non-resident companies carrying on business in Fiji (other than non-Fiji shipping companies, in respect of all outgoing business from Fiji, whether freight or passengers, non-Fiji mutual insurance companies in respect of life insurance business and non-Fiji proprietary or non-mutual

- insurance companies to the extent that the income of life insurance business is deemed to be mutual under subsection (1) of Section 37) 45%
- (ii) Non-resident mutual insurance companies in respect of life insurance business 30%
- (iii) Non-resident or non-mutual insurance companies to the extent that the income of their life insurance businesses is deemed to be mutual under subsection (1) of Section 37 30%
- (iv) Non-resident shipping companies in respect of all outgoing business from Fiji, whether freight or passengers 2%
- (v) Every other company 35% "

(2) Subsection (1) of this Section shall be deemed to have come into force on the 1st day of July, 1992.

Passed by the House of Representatives this seventeenth day of February, in the year of our Lord one thousand, nine hundred and ninety-three.

Passed by the Senate this third day of March, in the year of our Lord one thousand, nine hundred and ninety-three.