

GOVERNMENT OF THE SOVEREIGN DEMOCRATIC REPUBLIC OF FIJI
DECREE NO. 30 of 1992

INCOME TAX ACT (AMENDMENT) DECREE 1992

A DECREE TO AMEND THE INCOME TAX ACT

In exercise of the powers vested in me as President of the Sovereign Democratic Republic of Fiji and Commander-in-Chief of the Armed Forces, and acting in accordance with the advice of the Prime Minister and the Cabinet, I hereby make the following Decree:

Short title and interpretation

- 1.—(1) This Decree may be cited as the Income Tax Act (Amendment) Decree 1992.
- (2) In this Decree the Income Tax Act is referred to as the principal Act.

Definition of Basic Tax deleted

2. "Basic Tax" as defined in Section 2 of the principal Act is deleted.

Basic Tax

3. Section 6 of the principal Act is repealed.

Normal Tax

4. Section 7 of the principal Act is amended:
 - (a) by substituting the symbol and words "\$4,500" for the symbol and words "\$3,000" wherever the symbol and words appear in paragraph (a) of subsection (1);
 - (b) by deleting the semi-colon at the end of paragraph (a) of subsection (1) and inserting the following proviso:

"Provided that no resident individual whose total income is below \$4,500 shall be subject to assessment under the principal Act as from 1st July 1992."

Dividend Tax

5. (1) Subsection (1) of Section 10 of the principal Act is amended by substituting a colon for the fullstop at the end of the sentence and adding the following:

"Provided that where any dividend which is paid or credited in favour of a resident taxpayer by a company holding an operating licence granted under the provisions of the Tax Free Zones Decree 1991, the dividend tax shall be equal to fifteen per cent of any such dividend paid or credited."

(2) The amendment made by subsection (1) shall be deemed to have come into force on the first day of January 1992.

Taxation of benefits etc

6. Section 11 of the principal Act is amended by substituting the word "company" for the word "taxpayer" wherever it appears in the proviso to paragraph (bb).

Incomes not taxable

7. Section 17 of the principal Act is amended by:

- (1) deleting the words "basic tax and" from the first line thereof;
- (2) repealing paragraph (8) and replaced by the following:

"(8) The income derived from any investment in any loan raised by the Government referred to in paragraph (a) of subsection (1) of Section 16;"

- (3) repealing paragraph (25);
- (4) repealing paragraph (50) and replaced by the following:

"(50) Any pension received by a resident individual."

Expenses not deductible

8. Paragraph (k) of Section 19 of the principal Act is repealed and replaced by the following:

"(k) Alimony or maintenance."

Expenses deductible

9. Section 21 of the principal Act is amended by:

- (1) repealing paragraph (1) of subsection (1);
- (2) repealing paragraph (n) of subsection (1) and replaced by the following:

"(n) One half of any cash donation by a company to the University of the South Pacific Endowment Fund, St John's Ambulance Brigade, Fiji Red Cross Society, Fiji Crippled Children's Society, Fiji Blind Society and such similar academic and charitable institutions as may be approved by the Commissioner:

Provided that relief shall only be granted in terms of this paragraph in respect of donations which do not exceed, in aggregate, one thousand dollars."

- (3) repealing paragraph (o) of subsection (1);
- (4) amending paragraph (q) of subsection (1) by inserting the expression "by a company" immediately after the word "deposited" in the first line.

Allowances for children

10.—(1) Subsection (2) of Section 25 of the principal Act is repealed and replaced by the following:

"(2) In respect of each dependant child of the taxpayer, the allowance for each such child shall be two hundred dollars:

Provided that:

- (i) the total allowance to a taxpayer under this subsection shall be one thousand dollars;
- (ii) only one allowance may be granted in respect of the same dependant child. Where more than one taxpayer would, but for this proviso, be entitled to an allowance in respect of the same dependant child, such allowance shall be apportioned between them in such proportions as they agree, or in default of agreement, equally. For the purposes of this paragraph maintenance which is payable under an order of a court of competent jurisdiction and which has been allowed or would qualify as a deduction in arriving at total income, shall not be regarded as a contribution to a child's support."

(2) Subsections (3) and (4) of Section 25 of the principal Act are repealed.

Deductible amounts

11. Subsections (3), (3A) and (4) of Section 26 of the principal Act are repealed.

Age allowance

12. Section 27 of the principal Act is repealed.

Education allowance

13. Section 29 of the principal Act is repealed.

Rebates, Basic Tax & Normal Tax Rebate

14. Section 101 of the principal Act is repealed.

Rates of Normal Tax

15. Paragraph A of the Fourth Schedule to the principal Act is repealed and replaced by the following schedule:

"FOURTH SCHEDULE
(SECTION 7)

RATES OF NORMAL TAX

A. Individuals, Estates of Deceased Persons, Trusts and Settlements

When the chargeable income:

exceeds \$4500 but does not exceed \$7000, Nil Plus 15% of each dollar in excess of \$4500

exceeds \$7000 but does not exceed \$15,000, \$375 plus 25% of each dollar in excess of \$7000

exceeds \$15,000, \$2375 plus 35% of each dollar in excess of \$15,000."

Export Incentives

16.—(1) The Fifth Schedule to the principal Act is amended:

(a) by adding the following sub-paragraph immediately after sub-paragraph (ii) of paragraph 4:

"(iii) No deduction will be due in respect of deduction relating to the increase in exports for any fiscal year in which total export sales of approved products do not exceed thirty per cent of total output, with a minimum of ten thousand dollars." and

(b) by adding the following sub-paragraph immediately after sub-paragraph (iii) of paragraph 5:

"(iv) Where the Minister considers that an approved product has not been adequately marketed overseas and further government assistance is desirable to facilitate exports which will generate substantial foreign exchange earnings, he may by direction to the Commissioner extend the 8 year period referred to in sub-paragraph (i), upon such conditions as he thinks fit, by a period not exceeding 5 years."

(2) The amendment made by subsection (1) of this Section shall be deemed to have come into force on the first day of January 1992.

Commencement

17. Except as otherwise provided, this Decree shall come into force on the first day of July 1992.

Dated this 12th day of May 1992.

PENAIA K. GANILAU
President of the Sovereign Democratic
Republic of Fiji and Commander-in-Chief
of the Armed Forces