



**IMPROVING THE LIFE OF SOLOMON ISLANDERS**  
Inland Revenue Division Solomon Islands

## **A GUIDE FOR TENANTS: WITHHOLDING TAX ON RENT PAYMENTS**

**If you are a renting a property, you are required to deduct withholding tax from the rent that you pay to the landlord.**

### **How much tax do I have to deduct?**

You must deduct 10% from every payment of rent that you pay to your landlord.

For example: If the rent for the property you occupy is \$1,000 per month, you must deduct \$100 and pay to Inland Revenue. You will pay the balance of \$900 to your landlord.

### **When and how is the tax to be paid?**

You must pay the tax that you have deducted to Inland Revenue by the 15th day of the month following the month in which you deducted it.

For example: Peter deducted withholding tax from his monthly rent payment which he made to his landlord on the 10th of June. Peter must pay the withholding tax to IRD by the 15th July.

When you make the payment to Inland Revenue you need to attach a completed Withholding Tax Monthly Summary (IR16). Completing this form creates 3 copies;

- 1<sup>st</sup> copy is given to Inland Revenue along with the payment of the tax that you have deducted.
- 2<sup>nd</sup> copy is given to your landlord.
- 3<sup>rd</sup> copy is for your own records.

You must enter the following information on the IR16 form:

- Your own Taxpayer Identification Number (TIN) , Postal Address and Phone Number
- Your landlord's full name , Postal Address and Phone Number
- Your Landlord's Tax Identification Number (TIN)

### **What if your landlord says you are not to deduct tax?**

A landlord may have an arrangement with Inland Revenue to pay the tax another way.

If your landlord has such an arrangement they must provide you a copy of the letter from Inland Revenue confirming that. Otherwise, you are legally obliged to deduct the tax and pay it to Inland Revenue.

If your Landlord is not a resident of Solomon Islands then special rules apply. Please contact Inland Revenue Division and we will advise you on the correct position.

### **What is the law that says tenants must do this?**

The law is in Section 37 of the Income Tax Act [Cap.123]

### **Who should I contact if I need more information?**

You can contact Inland Revenue's Taxpayer Education Team on 21493 or the Withholding Tax Team on 28366.

**Inland Revenue Division, Box G9, Honiara, Solomon Islands**  
**Phone: 21493/22556, Fax 22369 [www.ird.gov.sb](http://www.ird.gov.sb)**  
**IRD is a Division of the Ministry of Finance and Treasury**