

## TAXES SUMMARY

	<b>Income Tax</b>	<b>Provisional Tax</b>	<b>PAYE</b>	<b>Withholding Tax</b>	<b>Goods Tax</b>	<b>Sales Tax</b>	<b>Stamp Duty</b>
<b>What is it?</b>	Tax on Income	Prepayment of Income tax	Prepayment of tax on employees employment income	Withholding of tax on certain types of income	Tax on sale value of Goods	Sales tax is a tax on the supply of certain prescribed goods and services used or consumed	Duty on documents
<b>Forms/returns Registration Form IR1</b>	Companies and Partnership return IR22 Individuals Business Return IR21	Assessment form (computer generated) SR 191	Monthly return IR9 Annual Form IR2 Individual refund PAYE return IR20	Monthly return IR16 Annual WTH certificate IR14	Registration Form GT1 Registration certificate GT 2 Monthly return GT3 Return of stock form GT8	Registration Form ST1 Form ST 2 Registration certificate Monthly – Return ST3	As required Return SD1
<b>Due dates</b>	Return lodgement 31 <sup>st</sup> March Payment 30 <sup>th</sup> September	Quarterly 20 <sup>th</sup> March, 20 <sup>th</sup> June, 20 <sup>th</sup> Sept, 20 <sup>th</sup> Dec	15 <sup>th</sup> day of the month following the month in which payment made	15 <sup>th</sup> day of the month following the month in which payment made	30 <sup>th</sup> day of the month following the month in which payment made	30 <sup>th</sup> day of the month following the month in which payment made	Within 2 months of execution/signing of document
<b>Rates</b>	Companies Residents 30% Non-residents 35% Turnover tax if a loss 0.05% Maximum \$20,000	Income tax paid in advance based on the previous year's income tax assessed	<b>First \$30,080 personal exemption no tax</b> <b>Income Level tax rate</b> Then \$1 to \$15,000 11% \$15,001 to \$30,000 23% \$30,001 to \$60,000 35% \$60,001 and over 40%	(see page 2 for types of income and rates)	Locally Manufactured Goods 10% Rice – 5% Imported Goods 15% Formula CIF + duty x 130% x 15% CIF = cost, insurance & freight	Prescribed goods & services Except Prepayment type goods and services: <ul style="list-style-type: none"> <li>Local and Overseas Communication</li> <li>Sales of Petroleum from any licensed under the petroleum Rules.</li> <li>Sales of diesoline from any premises licensed under the petroleum Rules</li> </ul> (See page 3 for prescribed goods & services and rates)	(See page 4 for documents and rates of duty)

**NOTE: For further information refer to the various Tax guides available on the IRD website- [www.ird.gov.sb](http://www.ird.gov.sb)**

**Withholding tax rates – The person making the payment (the payer) deducts the withholding tax and pays to IRD using Form 16**

<b>Types of Resident Withholding Tax – section 37 Schedule 7</b>	<b>Rate</b>
Income from contracting and/or sub-contracting	7 1/2¢ in the dollar
Royalties	10¢ in the dollar
Income from fishing operations	10¢ in the dollar
Income from lease of property	10¢ in the dollar
Income from the sale of cocoa	NIL
Income from the sale of copra	NIL
Income from the sale of marine products	10¢ in the dollar
Income from Stevedoring services	15¢ in the dollar
Income from Professional Services	20c in the dollar
Income from Management Services	30¢ in the dollar
Dividends Individuals and company shareholders	20c in the dollar
Trust shareholders	30c in the dollar
<b>Types of Non-resident Withholding Tax – section 38 Schedule 6</b>	<b>Rate</b>
Interest	15c in the dollar
Professional Services	20c in the dollar
Royalties	15c in the dollar
Income from contracting	7 1/2c in the dollar
Income from ships and aircraft	5c in the dollar
Insurance premiums and premiums on insurance	15c in the dollar
Rent for the hiring of films	5c in the dollar
The remuneration of foreign fishermen who are Pole and Line fishermen or long line fishermen deemed to be non- resident for purposes of income tax as provided under section 2 of the Act	10c in the dollar
The remuneration of foreign fishermen who are Purse Seiners and deemed to be non-resident for purposes of income tax as provided under section 2 of the Act	15c in the dollar
Lease income	15c in the dollar
Gross payments made to non-Solomon Islands contractors or sub-contractors by an approved mining company and where the relevant agreement so provides by an affiliate company of the approved mining company in relation to the mining operation as approved by the Commissioner for services performed	7c in the dollar
Dividends paid by an approved mining company	NIL
Income from management Services	35c in the dollar
Income from lease of property	10c in the dollar
Dividends	30c in the dollar

**Sales Tax Prescribed Goods & Services & Rates –**

**The Supplier charges The Purchaser the Sales Tax and the supplier pays the Sales Tax to IRD**

	<b>Prescribed Goods and Services</b>	<b>Rate</b>
1.	Local and overseas Telecommunications	10 cents in the dollar
2.	Restaurant Services	10 cents in the dollar
3.	Tickets purchased for overseas travel	\$10.00 per ticket
4.	Tickets purchased for domestic travel by air	\$10.00 per ticket
5.	Tickets purchased for domestic travel by sea (Tickets purchased under items 4 and 5 herein not apply to tickets bought in respect of a child under the age of 3 years and students under the age of 18 years.)	10% of the fare
6.	Hire of video tapes	
	(i) for general exhibition (GE)	\$2.00 per tape
	(ii) for adults only (AO)	\$2.00 per tape
7.	Movie tickets	50 cents per ticket
8.	Accounting, Legal and Security Services	10% of the cost of the service in the contract.
9.	Motor Vehicle Rental and Hire Services	10% of the daily hiring rate
10.	Real Estate Agency Services	10% of the commission, dues fees or charge receivable.,
11.	Professional Services	10% of the cost of service as per contract
12.	Sale of petroleum from any premises Licensed under the Petroleum Rules	10 cents per litre
13.	Sale of diesoline from any premises Licensed under the Petroleum Rules	10 cents per litre
14.	Video hire (including deck, screen and component)	10% of the hiring charge
15.	Computer hire (including component)	10% of the hire charge
16.	Hiring or Leasing of vessel and aircraft (but does not include hiring for purposes of transporting a deceased or sick person)	10% of the hiring or leasing charge
17.	Hiring or Leasing of plant, machinery and equipment	10% of the hiring or leasing charge
18.	Electronic repairs and equipment	10% of the cost of service
19.	All services provided by hairdressers and Barber includes beauty parlor	10%
20.	Casino fee	\$5.00
	(a) Entrance fee	10%
	(b) Table fee	10%
21.	Laundry Services	10%
22.	Tyre Services	10%

**Stamp Duty rates on documents** -The Payer is the person or entity making the payment of Stamp Duty.

In the case of a property transfer, the Payer is the New Owner. In the case of a tenancy agreement, it is the Tenant.

Document	Rate	Document	Rate
Agreement / Deed / Guarantee / Power of Attorney	\$50	Bill of lading – negotiable copy of Bill of Sale	\$50
Policy of Insurance	\$50	Or receipt - Receipt and each copy	\$0.50
Memorandum Of Understanding (MOU)	\$50		
Memorandum/Articles of Association, Return of Allotment/ Increase of Share capital (Provided that the total duty payable shall not exceed \$20,000)	\$50	Bill of Exchange – payable on demand	\$0.50
Charge, Mortgage, Bond, Debenture or Covenant, Bill of Sale (exceeding \$1,000 above) and transfer/assignment	1%	- Payable otherwise than on demand	1%
Discharge Charge, Mortgage, Bond, Debenture or Covenant	\$50	- any purchase of foreign exchange exceeding \$3,000	3%
Variation (value exceeding \$1,000 above)	\$50		
Equitable Mortgage	\$50	Exceptions: Bill of Exchange issued by any Bank for Government purposes to the Chief Accountant and Cheque or order payable on demand drawn on any Bank or firm out of Solomon Islands	
Transfer of Property:		Bill of sale	\$50
- \$10,000 - \$25,000	2%	Deed of any kind not otherwise charged	\$50
- \$25,001 - \$50,000	3%		
- \$50,001 - above	4%	Promissory Note of any kind	1%
Transfer of Shares:		(Except a Bank Note or Currency Note or Promissory Note issued by any Bank for Government Purposes to the Chief Accountant)	
- \$100 - \$25,000	2%	For every \$100 and for every fractional part of \$100	
- \$25,001 - \$50,000	3%		
- \$50,001 - above	4%		
Tenancy/Annual Rental / Lease / Grant:			
- \$200 - \$1,000	1.75%		
- \$1,001 - \$10,000	2.25%		
- \$10,001 - above	2.75%		
Premium Rent / Lease / Grant:			
- \$5,000 - \$20,000	2.25%		
- \$20,001 - \$50,000	3.25%		
- \$50,001 - above	4.25%		
Variation if rental value increased –duty is difference between duty originally paid and total duty that would be payable			