

# **Solomon Islands**

## **Sales Tax Act**

**Cap. 125**

Unofficial consolidation as at November 2022  
incorporating Tax Administration Act 2022 consequential  
amendments

This Consolidation has been prepared by the Inland Revenue Division, Ministry of Finance and Treasury for internal use. It is not an official version of the Act and should be read and used with regard to this limitation.

---

**Consolidation includes:****· TAX ADMINISTRATION ACT 2022**

Division 3 of Schedule Consequential Amendments

- Effective date 1<sup>st</sup> January 2023**· SALES TAX (AMENDMENT) ACT 2014 – No. 10 of 2014**

- Effective date, 1st July 2014

**· CUSTOMS AND EXCISE (AMENDMENT) ACT 2012 – No. 8 of 2012**

(Consequential Amendment to Sales Tax Act)

- Effective date, 1st August 2013

**· PENALTIES MISCELLANEOUS AMENDMENT ACT 2009 – No. 14 of 2009**

(Consequential Amendment to Sales Tax Act)

- Effective date, 1st October 2009

**· TELECOMMUNICATIONS ACT 2009 – No. 20 of 2009**

(Consequential amendment to Sales Tax Act)

- Effective date, 11th September 2009

**· SALES TAX (AMENDMENT) ACT 2004 – No. 1 of 2004**

- Effective date, 17th July 2009

**· SALES TAX [CAP. 125]**

---

---

**SALES TAX ACT****ARRANGEMENT OF SECTIONS****SECTION**

1. SHORT TITLE
2. INTERPRETATION
- 2A VENDOR TO PROVIDE RECORD OF PREPAID SALES TAX
- 2B REDUCTION OF SALES TAX PREPAID
3. TAX ON PURCHASE OF GOODS OR SERVICES
- 3A TAX ON PURCHASE OF LOCAL AND OVERSEAS COMMUNICATION
4. POWER OF MINISTER TO IMPOSE, REVOKE OR VARY SALES TAX
5. CERTIFICATE OF REGISTRATION
- 5A COMMISSIONER TO ISSUE CERTIFICATE OF REGISTRATION IN CERTAIN CIRCUMSTANCES
6. EXEMPTIONS
- 6A RECOMMENDATION OF THE EXEMPTION
7. Repealed
8. Repealed
9. Repealed
10. RELIEF AGAINST DOUBLE TAX
11. ANTI-AVOIDANCE: HIGH OR LOW CONSIDERATION
12. RESTRAINTS ON EXEMPTED GOODS
13. VENDOR TO BE COLLECTOR
14. TAXES TO BE COLLECTED AT TIME OF SALE
15. RETURNS
16. Repealed
- 16A. Repealed
17. PURCHASER LIABLE
18. TAX MONEYS DEEMED TRUST MONEYS
19. Repealed
20. Repealed
21. PENALTY FOR DEFAULT IN FILING RETURN OR REMITTING
- 21A. PENALTY FOR FAILURE TO COLLECT TAX
22. Repealed
23. Repealed
24. Repealed
24. Repealed
25. Repealed
26. Repealed
27. Repealed
28. Repealed
29. Repealed
30. Repealed
31. Repealed
32. Repealed

**SCHEDULES**

- SCHEDULE ONE: RATES OF PRESCRIBED GOODS AND SERVICES  
SCHEDULE TWO: PREPAYMENT TYPE GOODS AND SERVICES

## SALES TAX ACT

AN ACT TO IMPOSE A SALES TAX ON CERTAIN PRESCRIBED GOODS AND SERVICES AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO

[30th July 1990]

6 of 1990  
LN 87/1990  
11 of 1991  
LN 10/1992  
LN 4/1994  
LN 45/1995  
16 of 1996  
LN 4/1996  
1 of 2004  
14 of 2009  
20 of 2009  
2 of 2012  
10 of 2014  
2 of 2022

**Short Title**      **1.** This Act may be cited as the Sales Tax Act.

**Act is tax law**      **1A** This Act is a tax law for the purposes of the Tax Administration Act 2022.

**Interpretation**      **2.** In this Act, unless the context otherwise requires—

**History:** Definition of “authorized officer” repealed by Tax Administration Act 2022 with effect from 1 January 2023.. Formerly “authorised officer” means a person other than an inspector appointed by the Commissioner under section 24;

**History:** Definition of “authorized officer” inserted by 1 of 2004, effective 17<sup>th</sup> July 2009.

"Commissioner" shall have the meaning assigned thereto by section 2(1) of the Income Tax Act;

"consumer" means a person who—

(a) uses or utilises or intends to use or utilise in Solomon Islands prescribed goods or services for his own use or consumption or for the use or consumption of any other person at his expense; or

(b) uses or utilises or intends to use or utilise in Solomon Islands prescribed goods or services on behalf of or as the agent for a principal who desired or desires to so use or utilise such prescribed goods or services by the principal or by any person at the expense of such principal;

**History:** Definition of “Minister” repealed by Tax Administration Act 2022 with effect from 1 January 2023. Formerly: "Minister" means the Minister for the time being charged with responsibility for the imposition and collection of sales tax;

"prescribed goods or services" means goods or services declared to be taxable by or pursuant to this Act and set out in the Schedule;

“prepayment type goods and services” means prescribed goods or services declared to be subject to prepayment by or pursuant to this Act and set out in Schedule Two;

**History:** Definition of “prepayment type goods and services” inserted by 10 of 2014, effective 1<sup>st</sup> July 2014

"purchaser" means—

(a) any consumer; or

(b) any person who acquires prescribed goods anywhere, for his own use or consumption, or for the consumption or use in Solomon Islands of other persons at his expense, or on behalf of or as agent for a principal who desires to acquire such prescribed goods for consumption or use in Solomon Islands by such principal or other person at his expense; or

(c) any person who acquires prepayment type goods or services anywhere;

**History:** Definition of “purchaser” amended by 10 of 2014, effective 1<sup>st</sup> July 2014.

Former definition read:

“purchaser” means—

(a) any consumer; or

(b) any person who acquires prescribed goods anywhere, for his own use or consumption, or for the consumption or use in Solomon Islands of other persons at his expense, or on behalf of or as agent for a principal who desires to acquire such prescribed goods for consumption or use in Solomon Islands by such principal or other person at his expense;

“sale” or “sells” means—

(a) a sale of prescribed goods to a purchaser for the purpose of use or consumption and not for resale;

(b) the providing of prescribed services for a consideration; or

(c) any transfer of title or possession, exchange, barter, lease or rental, conditional or otherwise of any prescribed goods including a sale on credit or where the price is payable by instalments, or any other contract (whether or not a hire-purchase contract) whereby at a price or other consideration a person delivers to another person prescribed goods; or

(d) the furnishing and distribution of prescribed goods for a consideration by social clubs or other organisations in the course of ordinary business; or

(e) a sale of prepayment type goods or services to a purchaser;

**History:** Definition of “sale” or “sells” amended by 10 of 2014, effective 1<sup>st</sup> July 2014. Former definition read:

(a) a sale of prescribed goods to a purchaser for the purpose of use or consumption and not for resale;

(b) the providing of prescribed services for a consideration; or

(c) any transfer of title or possession, exchange, barter, lease or rental, conditional or otherwise of any prescribed goods including a sale on credit or where the price is payable by instalments, or any other contract (whether or not a hire-purchase contract) whereby at a price or other consideration a person delivers to another person prescribed goods; or

(d) the furnishing and distribution of prescribed goods for a consideration by social clubs or other organisations in the course of ordinary business;

“sales tax” means sales tax imposed by or under this Act by an order by the Minister and includes additional sales tax;

“use” does not include prescribed goods brought into Solomon Islands for the purpose of transporting them subsequently outside of Solomon Islands for use thereafter solely outside Solomon Islands;

“value” includes—

(a) the price for which the prescribed goods were purchased as expressed in terms of Solomon Islands currency;

(b) the price for which the prescribed services were made available and used in Solomon Islands;

(c) in the case of prescribed goods, the costs of or charges for customs and excise duties, transportation and insurance; and

(d) in the case of prepayment type goods or services, the greater of –  
 (i) the price for which the prepayment type goods or services were purchased as expressed in terms of Solomon Islands currency; or  
 (ii) the price for which prepayment type goods or services are generally sold to consumers;

**History:** Definition of “value” amended by 10 of 2014, effective 1<sup>st</sup> July 2014.

Former definition read:

(a) the price for which the prescribed goods were purchased as expressed in terms of Solomon Islands currency;

(b) the price for which the prescribed services were made available and used in Solomon Islands; and

(c) in the case of prescribed goods, the costs of or charges for customs and excise duties, transportation and insurance;

"vendor" means a person who, in the ordinary course of business, sells prescribed goods or services, and includes, subject to section 3A, a wholesaler.

**History:** Definition of “vendor” amended by 20 of 2009, effective 11<sup>th</sup> September

2009. Former definition reads:

"vendor" means a person who in the ordinary course of business sells prescribed goods or services and includes a wholesaler.

**Vendor to  
provide  
record of  
prepaid  
sales tax**

**2A.** The vendor of prepayment type goods or services on which sales tax has been prepaid must provide to a purchaser a record of the sales tax prepaid in respect of the goods and services being purchased.

**History:** 2A inserted by 10 of 2014, effective 1<sup>st</sup> July 2014.

**Reduction  
of sales tax  
prepaid**

**2B.** The amount of sales tax a purchaser is charged on prepayment type goods or services is reduced by any sales tax prepaid in respect of the goods or services being purchased, consistent with the record of prepaid tax provided by the vendor in accordance with section 2A.

**History:** 2B inserted by 10 of 2014, effective 1<sup>st</sup> July 2014.

**Tax on  
purchases  
of goods or  
services**

**3.—(1)** Every purchaser of prescribed goods or services shall be charged a tax (to be known as "sales tax") in respect of the use or consumption of such goods or services computed in such amount or at such percentage of the value thereof as may be prescribed by the Minister:

Provided that sales tax shall not be payable on the purchase of any goods if the goods were entered under bond for the due exportation and landing in a place outside Solomon Islands and are in fact so exported.

(2) A purchaser shall pay the tax at the time of the sale.

(3) Where the Commissioner deems it necessary or advisable he may determine the value of any such goods for the purposes of taxation under this Act, and thereupon the value of such goods for such person shall be as so determined by him.

(4) If a person sells any prescribed goods to a person who alleges that he is not purchasing it for consumption or use in Solomon Islands, he shall nevertheless request such person to pay the tax or give security therefor, but such payment shall be refunded or such security restored by the Commissioner on receipt of satisfactory evidence that, apart from this subsection, the tax is not required to be paid or secured.

(5) The Commissioner shall refund any amount overpaid as sales tax upon receipt, at any time within two years after the overpayment, of satisfactory evidence of such overpayment.

(6) Every person who brings into Solomon Islands or who receives delivery in Solomon Islands of prescribed goods acquired by him for money or moneys worth for his own consumption or use, or for the consumption or use of other persons at his expense, or on behalf of, or as agent for, a principal who desires to acquire such prescribed goods for consumption or use in Solomon Islands by such principal or other person at his expense, shall upon entry of the goods under the Customs and Excise Act supply the Commissioner with the invoice and all other relevant information required by him in respect of the consumption or use of such goods; and at the same time shall, subject to subsection (7), pay to the Commissioner the tax in respect of the consumption and use of such goods that would have been payable if the goods had been purchased for the first time in Solomon Islands at the time of entry of such goods under the Customs and Excise Act.

(7) No sales tax shall be payable pursuant to subsection (6) if the person aforesaid satisfies the Commissioner that the prescribed goods were purchased by him prior to the date on which the sales tax was imposed on those goods under this Act.

(8) The sales tax imposed by this Act shall be calculated separately on every purchase and shall be computed to the nearest cent.

**Tax on purchase of local and overseas telecommunications services**

**3A.** Notwithstanding the application of the definition of prepayment type goods and services, there shall be no sales tax imposed by this Act on the purchase of local and overseas Telecommunications, as a prescribed service, where those services are offered by any vendor who is a service provider (as the term is defined in the Telecommunications Act 2009), to another service provider on a wholesale bases, including charges relating to interconnection services, or any other wholesale telecommunications service, except where those services are provided as a retail end user service to another service provider.

**History:** 3A inserted by 20 of 2009, effective 11 September 2009. 3A Amended by 10 of 2014 effective 1<sup>st</sup> July 2014. Former s.3A reads:

There shall be no sales tax imposed by this Act on the purchase of local and overseas Telecommunications, as a prescribed service, where those services are offered by any vendor who is a service provider (as the term is defined in the Telecommunications Act 2009), to another service provider on a wholesale bases, including charges relating to interconnection services, or any other wholesale telecommunications service, except where those services are provided as a retail end user service to another service provider.

**Power of Minister to impose, revoke or vary sales tax Schedule**

**4.—**(1) The Minister may from time to time in consultation with the Cabinet, by order impose sales tax on any goods and services and may revoke, reduce, increase, or alter any sales tax and may provide for exemptions therefrom, and any such order may revoke, amend or replace the Schedule.

(2) Any order made under subsection (1), shall be subject to a negative resolution of the National Parliament.

(3) Subject to subsection (2) until varied or revoked by an order made pursuant to subsection (1), the provisions of the Schedule shall have effect.

**Certificate of registration**

**5.—**(1) Subject to the provisions of this Act, every person who in Solomon Islands sells prescribed goods or services shall apply to the Commissioner in the prescribed form for registration as a seller of prescribed goods and services together with the prescribed fee.

(2) Where any person has made application under subsection (1), and the Commissioner is satisfied that such person is eligible to be registered under this Act, the Commissioner shall issue to such person a certificate of registration.

(3) Each certificate of registration issued by the Commissioner shall be kept and conspicuously displayed at the place of business of the vendor to whom the certificate of registration is issued and is not transferable.

(4) The Commissioner may—

(a) refuse to issue a certificate of registration to any vendor; or

(b) suspend or cancel the certificate of registration of any vendor if such vendor or any of his employees contravenes or fails to comply with any of the provisions of this Act, but before a refusal, suspension or cancellation is made, the vendor shall be afforded an opportunity to appear before the Commissioner to show cause why the issuance of the certificate of registration should not be refused or why the certificate of registration should not be suspended or cancelled, as the case may be.

(5) A certificate of registration issued under this section may contain such terms and conditions as the Commissioner sees fit to impose for the better carrying out the purposes of this Act.

(6) Every vendor who fails to comply with this section or the terms and conditions specified under subsection (5) in the certificate is guilty of an offence under this Act.

**Commissioner to issue Certificate of registration in certain circumstances**

**5A.** (1) Where the Commissioner has reasonable cause to believe that a person in Solomon Islands who sells prescribed goods and services has not registered as required under section 5, the Commissioner may by notice in writing inform such person that he intends to register him as a seller of prescribed goods and services.

(2) The Commissioner shall in the notice issued pursuant to sub section (1), specify a period of not less than fourteen days within which the vendor may appear before him and show cause as to why, if any, he should not be registered as seller of prescribed goods and services.

(3) On being satisfied that such vendor qualifies to be registered, the Commissioner shall issue to such vendor a certificate of registration as prescribed under section 5 and the provisions of that section shall *mutatis mutandis* apply in respect of the vendor

**History:** 5A inserted by 1 of 2004, effective 17<sup>th</sup> July 2009

**Exemptions**

**6.** The Minister may by general notice, from time to time determine in consultation with the Commissioner either generally or in any case or class of cases, or any persons entitled to relief from sales tax and any such relief may be made subject to any condition the Minister may impose.

**History:** 6 amended by 1 of 2004, effective 17<sup>th</sup> July 2009. Former 6 read:

The Minister may by general notice, from time to time determine either generally or in any case or class of cases, or any person entitled to relief from sales tax and any such relief may be made subject to any condition the Minister may impose.

**Recommendations of the Exemption Committee**

**6A.** (1) Before the Minister exercise any power under section 6, the Minister shall first refer the matter to the Exemption Committee established under section 8A of the Customs and Excise Act (Cap.121) to make recommendations to the Minister;

(2) The exemption committee shall take into account the following matters-

(a) the requirements of this Act and the effects of the exemption on the national economy



(b) any guidelines prescribed by regulation under this Act or the Income Tax Act (Cap.123);

(3) Sections 8(3) to (10), 8A, 8B and 8C of the Customs and Excise Act (Cap.121) apply to this Act, with necessary modifications.

(4) Nothing prevents the Commissioner from communicating to a member of the Committee, including any person invited by the Committee, any matter relevant to an exemption application to which section 109(1) of the Income Tax Act (Cap.123) applies.

**History:** 6A inserted by 8 of 2012, effective 1<sup>st</sup> August 2013.

*Special  
Remission*

## **7. Repealed.**

**History:** Section 7 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: *If, owing to special circumstances, it is deemed undesirable that the whole amount of sales tax imposed by this Act be paid, the Minister may, in consultation with the Commissioner, by general notice, remit or refund the whole or any part of such sales tax and any such remission or refund may be made subject to any conditions the Minister may impose.*

**History:** Section 7 amended by 1 of 2004, effective 17th July 2009. Former s.7 reads:

*If, owing to special circumstances, it is deemed undesirable that the whole amount of sales tax imposed by this Act be paid the Minister may, by general notice, remit or refund the whole or any part of such sales tax and any such remission or refund may be made subject to any conditions the Minister may impose.*

*Repayment of  
Sales Tax*

## **8. Repealed**

**History:** Section 8 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: *If it be proved to the satisfaction of the Commissioner that any vendor has paid sales tax in excess of the due amount, such person shall be entitled to have the amount so paid in excess refunded and the Commissioner shall make the refund accordingly. Every claim for repayment under this section shall be made within two years from the end of the year to which the claim relates.*

*Waiver,  
refunds, etc*

## **9. Repealed**

**History:** Section 9 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: *The Commissioner may, if he is satisfied that it would be just and equitable to do so—*

*(a) waive any penalty that a vendor would be liable to pay, if not for this section;*

*(b) extend or grant further time for the submission of records, returns or other information required under this Act; or*

*(c) authorise the refund of any overpayment made by a vendor.*

**Relief against  
double tax**

**10.** Any vendor who has paid or is liable to pay sales tax under this Act for the purchase of any prescribed goods or services and who proves to the satisfaction of the Commissioner that he has paid sales tax in respect of the same goods or services shall be entitled to relief from sales tax under this Act equal to the amount paid in the first instance.

**Anti-avoidance  
High or low  
Consideration**

**11.** Where the Commissioner is of the opinion that—

(a) any transaction or disposition of shares, stocks or assets was carried out for a consideration substantially different from that obtainable at arm's length or for no consideration; and

(b) the effect of this would be to reduce or avoid the sales tax payable by the vendor, the Commissioner may, for the purposes of this Act, treat the transaction or disposition as a sale, and having been carried out for such consideration as would in his opinion have been obtainable at arm's length:

Provided that this section shall not apply if the vendor shows to the satisfaction of the Commissioner that—

- (i) the transaction did not have as its object, or one of its objects, the avoidance of the sales tax; and
- (ii) the consideration for which the transaction was carried out was of a value less than the cost incurred by the person receiving the consideration in providing the subject matter of the transaction.

**Restraints on  
exempted  
goods**

**12.—**(1) Where prescribed goods have been purchased exempt from the tax imposed by this Act, the goods shall not during the two years next after the purchase be put to a taxable use, unless the purchaser prior to such change of use pays to the Commissioner the tax imposed by this Act on the value of the goods at the time of the purchase or unless the terms of the exemption expressly excludes the operation of this section.

(2) A person who contravenes the provisions of subsection (1) is guilty of an offence.

**Vendor to be  
Collector**

**13.—**(1) Every vendor is an agent of the Commissioner for the purposes of this Act and as such shall levy and collect the taxes imposed by this Act upon the purchaser.

(2) No person acting under subsection (1) shall on that account be regarded as holding public office.

**Taxes to be  
Collected at  
time of sale**

**14.** The sales tax imposed by this Act, whether the purchase price be stipulated to be payable in cash or on terms or by instalments or otherwise, shall be collected at the time of the sale on the whole amount of the value, and be remitted to the Commissioner together with the relative returns not later than thirty days after the end of the month in which the sale occurs.

**Returns**

**15.** Every vendor shall make such returns to the Commissioner at such times and shall keep such records in such form and substance as the Commissioner may from time to time prescribe.

*Assessment of  
tax Collected*

**16. Repealed**

**History:** Section 16 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly:

(1) *Where a vendor fails to make a return or a remittance as required by or pursuant to this Act or if the returns are not substantiated by his records, the Commissioner may make an assessment of the tax collected by such vendor and such assessed amount shall thereupon be deemed to be tax collected by the vendor.*

(2) *Where it appears from an inspection, audit or examination of the books of account, records or documents of any vendor that this Act has not been complied with, the inspector making the inspection, audit or examination shall calculate the tax collected by the vendor in such manner and form and by such procedure as the Commissioner considers adequate and expedient, and the Commissioner shall assess the amount of the tax collected by the vendor.*

*Assessment of  
tax collectable*

**16A. Repealed**

**History:** Section 16A repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly:

(1) *Where a vendor fails to charge and collect tax as required by this Act, the Commissioner may make an assessment of the tax which should have been collected by such vendor and such assessed amount shall thereupon be deemed to be tax collected by the vendor.*

(2) *Where it appears from an inspection, audit or examination of books of accounts, records or documents of any vendor that the vendor has failed to charge and collect tax in compliance with this Act, the Inspector making the inspection, audit or examination shall calculate the tax which should have been charged and collected by such vendor in such manner and form and by*

*such procedure as the Commissioner considers adequate and expedient, and the Commissioner shall assess the amount of tax that should have been collected by the vendor,".*

**History:** 16A inserted by 1 of 2004, effective 17th July 2009.

#### Liability of tax

**17.** (1) The purchaser is liable for the tax imposed by this Act until it is collected and a consumer or purchaser who refuses to pay the tax at time of sale is liable on conviction to a fine of 2000 penalty units and double the amount of which he ought to have paid at the time of the purchase.

(2) Where a vendor fails to charge and remit any tax in accordance with his obligation under this Act, the amount in respect of which default has been made, shall constitute a debt payable by the vendor to the Commissioner on the 30th day of the month following the month in which the purchase of prescribed goods and services was made.

(3) If any vendor fails or neglects to charge and remit tax under the provisions of this Act and if recovery thereof has not been made from the purchaser such vendor shall be liable for payment of such tax.

**History:** 17 amended by 14 of 2009, effective 1st October 2009. Former s.17 read:

17. (1) The purchaser is liable for the tax imposed by this Act until it is collected and a consumer or purchaser who refuses to pay the tax at time of sale is liable on conviction to a fine of two thousand dollars and double the amount of which he ought to have paid at the time of the purchase.

(2) Where a vendor fails to charge and remit any tax in accordance with his obligation under this Act, the amount in respect of which default has been made, shall constitute a debt payable by the vendor to the Commissioner on the 30th day of the month following the month in which the purchase of prescribed goods and services was made.

(3) If any vendor fails or neglects to charge and remit tax under the provisions of this Act and if recovery thereof has not been made from the purchaser such vendor shall be liable for payment of such tax.

**History:** 17 repealed and replaced by 1 of 2004, effective 17th July 2009. Former s. 17 read:

#### Purchaser Liability

The purchaser is liable for the tax imposed by this Act until it is collected, and, where the purchaser or consumer refuses to pay the tax at the time it is collectable under section 14, the vendor shall within thirty days thereafter, notify the Commissioner thereof.

#### Tax moneys deemed trust moneys

**18.—**(1) Every vendor who collects any tax under this Act shall be deemed to hold it in trust for the Government of Solomon Islands and is responsible for the payment of it in the manner and time provided under this Act.

(2) Every tax collectable or penalty payable by a vendor under this Act is a first lien and charge upon his property in Solomon Islands for the amount of such tax or penalty and, notwithstanding anything to the contrary contained in any other Act, has priority over all the other claims of any person.

#### Objections

### 19. Repealed

**History:** Section 19 repealed by the Tax Administration Act 2022 with effect from 1 January 2023.

(1) Where a vendor objects to an assessment made under section 16, he may within thirty days of receipt of the assessment, serve on the Commissioner a notice of objection in a form approved by the Commissioner setting out the reasons for the objection and the relevant facts.

(2) Upon receipt of the notice of objection, the Commissioner shall within reasonable time reconsider the assessment and vacate, confirm or vary the assessment or reassess, and he shall thereafter notify the vendor of his decision.

#### Appeals to High Court

### 20. Repealed

**History:** Section 20 repealed by the Tax Administration Act 2022 with effect from 1 January 2023.

(1) Where a person has served notice of objection under section 19, he may appeal to the High Court to have the assessment vacated or varied after the Commissioner has confirmed or reassessed, but no appeal under this

*section shall be instituted after the expiration of sixty days from the day the Commissioner has confirmed the assessment or reassessed it.*

*(2) The High Court may in delivering its judgment, order payment or refund of the tax by the appellant or the Commissioner, as the case may be, and make such order as to costs as it considers proper.*

**Penalty for  
Default in  
Filing Return  
or Remitting**

**21 (1) Repealed**

**(2) Repealed**

(3) Every vendor who fails to register as a vendor of prescribed goods and services as required under this Act is liable to a penalty of 2,000 penalty units and an additional penalty of double the amount of the tax collectable by him from the day on which the vendor should have been registered.

**History:** S21 (1) and (2) repealed by Div. 3 of the Consequential Amendments Schedule to the Tax Administration Act 2022 with effect from 1 January 2023. Formerly:

*(1) Every vendor who fails to deliver a return or remit the tax collectable or payable as and when required shall pay by way of penalty an amount equal to ten per cent per annum of the tax collectable for the period the amount remains outstanding.*

*(2) Every vendor who fails to complete the information or records required by the Commissioner is liable to a penalty up to 2,000 penalty units and an additional penalty of 20 penalty units per day from the day on which such information or records should have been made to the Commissioner.*

**History:** 21 amended by 14 of 2009, effective 1<sup>st</sup> October 2009. Former 21 reads:

(1) Every vendor who fails to deliver a return or remit the tax collectable or payable as and when required shall pay by way of penalty an amount equal to ten per cent per annum of the tax collectable for the period the amount remained outstanding.

(2) Every vendor who fails to complete the information or records required by the Commissioner is liable to a penalty up to two thousand dollars and an additional penalty of twenty dollars per day from the day on which such information or records should have been made to the Commissioner.

(3) Every vendor who fails to register as a vendor of prescribed goods and services as required under this Act is liable to a penalty of two thousand dollars and an additional penalty of double the amount of the tax collectable by him from the day on which the vendor should have been registered.

**History:** 21 amended by 1 of 2004, effective 17<sup>th</sup> July 2009. Former 21 reads:

(1) Every vendor who fails to deliver a return or remit the tax collectable or payable as and when required shall pay by way of interest an amount equal to twenty per cent per annum of the tax collectable for the period the amount remain outstanding.

(2) Every vendor who fails to complete the information or records required by the Commissioner is liable to a fine up to two thousand dollars and an additional penalty of twenty dollars per day from the day on which such information or records should have been made to the Commissioner.

(3) Every vendor who fails to register as a vendor of prescribed goods and services as required under this Act is liable to a fine of two thousand dollars and an additional penalty of double the amount of the tax collectable by him from the day on which the vendor should have been registered.

**Penalty for Failure  
to collect Tax**

**21A.** Every vendor who fails to charge and collect tax as required by this Act or the Regulations is liable to a penalty of 2,000 penalty units and additional penalty up to 20 penalty units per day from the day on which such tax should have been collected and remitted to the Commissioner.

**History:** 21A amended by 14 of 2009, effective 1<sup>st</sup> October 2009. Former 21A inserted by 1 of 2004, effective 17<sup>th</sup> July 2009 reads:

21A. Every vendor who fails to charge and collect tax as required by this Act or the Regulations is liable to a penalty of two thousand dollars and additional penalty up to twenty dollars per day from the day on which such tax should have been collected and remitted to the Commissioner.

*Interest***22. Repealed**

**History:** Section 22 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: Any amount payable or to be remitted to the Commissioner under this Act shall bear interest, at the rate of ten per cent per annum, from the day on which such amount should have been paid or remitted to the Commissioner, to the day on which the Commissioner receives payment of the amount.

*Surety Bond***23. Repealed**

**History:** Section 23 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: Commissioner may require any vendor to deposit with him a bond by way of cash or other security satisfactory to the Commissioner in an amount to be determined by the Commissioner, not being an amount more than three times the amount estimated by the Commissioner as being the amount of tax that would normally be collected, remitted or paid by the vendor as the amount due to the Government of Solomon Islands.

*Commissioner's Ruling***23A. Repealed**

**History:** Section 23A repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly:

- (1) The Commissioner may, by way of public ruling, explain the Commissioner's interpretation of any provisions of the Act;
- (2) The Commissioner may not collect tax greater than that due under the provisions of this Act as interpreted by the Commissioner in a public ruling authorized by this section.
- (3) The Commissioner may not seek to impose any penalty for failure to pay tax exceeding that due under the provisions of this Act as interpreted by the Commissioner in a public ruling authorized by this section.

**History:** 23A inserted by 10 of 2014, effective 1st July 2014.

*Appointment of Inspectors***24. Repealed**

**History:** Section 24 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly:

- (1) For the purpose of carrying out the provisions of this Act, the Commissioner may appoint inspectors or authorised officers in any part of Solomon Islands, and any inspector or authorised officer so appointed shall be deemed to be an agent for the purpose of carrying out his duties.
- (2) Every inspector or authorised officer referred to in subsection (1) shall be subject to such directions, as the Commissioner may issue and perform such duties and exercise such powers of the Commissioner as may be specified in the conditions of his appointment or as may from time to time be assigned or delegated to him by the Commissioner.

**History:** 24 amended by 1 of 2004, effective 17th July 2009. Former 24 reads:

- (1) For the purpose of carrying out the provisions of this Act, the Commissioner may appoint inspectors in any part of Solomon Islands, and an inspector so appointed shall be deemed to be an agent for the purpose of carrying out his duties.
- (2) Every inspector referred to in subsection (1) shall be subject to such directions, as the Commissioner may issue and perform such duties and exercise such powers of the Commissioner as may be specified in the conditions of his appointment or as may from time to time be assigned or delegated to him by the Commissioner.

*Investigations***25. Repealed**

**History:** Section 25 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly:

- (1) An inspector or authorised officer shall, for the purposes of this Act or the regulations, have powers to do all or any of the following things, namely—
  - (a) to enter at all reasonable times any premises or place where any business is carried on or prescribed goods are kept or prescribed services are being provided;
  - (b) to make such examination or audit any books or records and any invoices, vouchers or other documents which may relate to the information required under this Act;
  - (c) examine prescribed goods described by an inventory or any goods which may, in his opinion assist him in determining the accuracy of an inventory or in ascertaining the information that is or should be in the books or records of the amount of any tax collectable or payable under this Act;
  - (d) require a vendor liable to collect or pay tax under this Act or, if such vendor is a partnership or corporation, require a partner or the president, manager, secretary or any director, agent or representative thereof and any other person on the premises of such vendor to give him all reasonable assistance with his audit or examination: and

- (e) if during the course of an audit or examination it appears to him that there has been a contravention of this Act, seize and take into his custody any of the records, books, accounts, vouchers, invoices or other documents and retain them until they are produced in any court proceedings.
- (2) The Commissioner may, for any purpose related to the administration or enforcement of this Act, require the vendor to attend before him, any inspector or authorized officer for the purpose of -
- (a) producing any books, documents or other relevant information in his custody;
  - (b) providing information -
    - (i) for the reconciliation of statements;
    - (ii) to determine the actual time the sale is deemed to have taken place; or
    - (iii) which is relevant in fixing the value of prescribed goods and services.
- (3) Where the person is required under subsection (1) to furnish to the Commissioner any information, such person shall take all steps necessary to ensure that the information so required is produced or furnished in the manner requested.
- (4) Any person who hinders or interferes with any inspector doing anything that he is authorized by this section to do, or who prevents or attempts to prevent a person doing any such thing shall be guilty of an offence against this Act.

**History:** Section 25 amended by 1 of 2004, effective 17th July 2009. Former 25 reads:

- (1) An inspector shall, for the purpose of this Act or the regulations, have powers to do all or any of the following things, namely -
- (a) to enter at all reasonable times any premises or place where any business is carried on or prescribed goods are kept or prescribed services are being provided;
  - (b) to make such extermination or audit any books or records and any invoices, vouchers or other documents which may relate to the information required under this Act;
  - (c) examine prescribed goods described by an inventory or any goods which may, in his opinion assist him in determining the accuracy of an inventory or in ascertaining the information that is or should be in the books or records of the amount of any tax collectable or payable under this Act;
  - (d) require a vendor liable to collect or pay tax under this Act, if such vendor is a partnership or corporation, require a partner or a president, manager, secretary or any director, agent or representative thereof and any other person on the premises of such vendor to give him all reasonable assistance with his audit or extermination;
- and
- (e) if during the course of an audit or extermination it appears to him that there has been a contravention of this Act, seize and take into his custody any of the records, books, accounts, vouchers, invoices or other documents and retain them until they are produced in any court proceedings.
- (2) The Commissioner may, for any purpose related to the administration or enforcement of this Act requires the vendor to provide information -
- (a) for purposes of reconciliation of statements;
  - (b) to determine the actual time the sale is deemed to have taken place; or
  - (c) which is relevant in fixing the value of the prescribed goods or services.
- (3) Any person who hinders or interferes with any inspector doing anything that he is authorized by this section to do, or who prevents or attempts to prevent a person doing such thing shall be guilty of an offence against this Act.

*Officers etc. of  
corporation*

## 26. Repealed

**History:** Section 26 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: Where a corporation is guilty of an offence under this Act, any officer, director or agent of the corporation who directed, authorised, assented to or participated in, the commission of the offence is a party to and guilty of the offence and liable to the penalty provided for the offence.

*Sales tax, interest  
and penalties  
recoverable by suit*

## 27. Repealed

**History:** Section 27 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: Sales tax or any penalty payable pursuant to sections 21, 21A or 22, may be sued for and recovered in a Magistrates' Court by the Commissioner, with full costs of suit, from the person charged therewith as a debt due to the Government.

**History:** 27 amended by 1 of 2004, effective 17th July 2009. Former 27 reads:

*Sales tax, interest or any penalty payable pursuant to sections 21 or 22, may be sued for and recovered in a Magistrates' Court by the Commissioner, with full costs of suit, from the person charged therewith as a debt due to the Government.*

*Collection of Tax  
by distraint etc.*

## 28. Repealed

**History:** Section 28 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: *In any case in which sales tax, or any penalty is recoverable in the manner provided in section 27, the Commissioner may, instead of suing for any such sales tax, or penalty authorise in writing any inspector or authorised officer to distrain upon the goods and chattels of the vendor or purchaser, as the case may be, and the provisions of sections 85 and 89 of the Income Tax Act shall so far as applicable, be incorporated and read as one with this section.*

**History:** 28 amended by 1 of 2004, effective 17<sup>th</sup> July 2009. Former 28 read:

28. In any case in which sales tax, interest or any penalty is recoverable in the manner provided in section 27, the Commissioner may, instead of suing for any such sales tax, interest or penalty authorize in writing any inspector to distrain upon the goods and chattels of the vendor or purchaser, as the case may be, and the provision of section 89 of the Income Tax Act shall so far as applicable, be incorporated and read as one with this section.

*General Penalty*

## 29. Repealed

**History:** Section 29 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: *(1) Subject to subsection (2), a person guilty of an offence against this Act for which no penalty is elsewhere prescribed is liable on conviction in a Magistrates' Court to a fine of not more than 1,000 penalty units or, in default of payment, to imprisonment for not more than two years.*

*(2) Every vendor who fails to remit the sales tax imposed by this Act is liable on conviction in a Magistrates' Court to a fine equal to the amount of the sales tax that should have been collected as determined under subsection (3) and, in addition, an amount not more than 1,000 penalty units or, in default of payment, to imprisonment for not more than twelve months.*

*(3) The Commissioner shall determine the amount of the sales tax referred to in subsection (2) from such information as is available to him and shall issue a certificate as to the amount, but except where he deems there has been deliberate evasion of this Act, the Commissioner shall not consider a period of more than one year in determining the amount of the tax referred to.*

*(4) In any prosecution under subsection (2), a certificate signed or purporting to be signed by the Commissioner stating the amount of sales tax that should have been collected is prima facie evidence of the amount of sales tax that should have been collected and of the authority of the person having or making the certificate without any proof of appointment or signature.*

*(5) Neither the application of any provision of this section nor the enforcement of any penalty hereunder suspends or affects any remedy for the recovery of any sales tax payable under this Act.*

**History:** 29 amended by 14 of 2009, effective 1<sup>st</sup> October 2009. Former 29 reads:

**29.—**(1) Subject to subsection (2), a person guilty of an offence against this Act for which no penalty is elsewhere prescribed is liable on conviction in a Magistrates' Court to a fine of not more than one thousand dollars or, in default of payment, to imprisonment for not more than two years.

(2) Every vendor who fails to remit the sales tax imposed by this Act is liable on conviction in a Magistrates' Court to a fine equal to the amount of the sales tax that should have been collected as determined under subsection (3) and, in addition, an amount not more than one thousand dollars or, in default of payment, to imprisonment for not more than twelve months.

(3) The Commissioner shall determine the amount of the sales tax referred to in subsection (2) from such information as is available to him and shall issue a certificate as to the amount, but except where he deems there has been deliberate evasion of this Act, the Commissioner shall not consider a period of more than one year in determining the amount of the tax referred to.

(4) In any prosecution under subsection (2), a certificate signed or purporting to be signed by the Commissioner stating the amount of sales tax that should have been collected is prima facie evidence of the amount of sales tax that should have been collected and of the authority of the person having or making the certificate without any proof of appointment or signature.

(5) Neither the application of any provision of this section nor the enforcement of any penalty hereunder suspends or affects any remedy for the recovery of any sales tax payable under this Act.

*Offences*

## 30. Repealed

**History:** Section 30 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly:

*(1) Any person who for the purpose of obtaining any reduction, rebate, repayment or exemption in respect of sales tax either for himself or for any other person or who in any return, statement, declaration or particulars delivered under this Act, knowingly makes any false statement or false representation, shall, notwithstanding*

any other provision in this or any other Act, be liable on conviction to a fine not exceeding 2,000 penalty units and double the amount of sales tax which he ought to have charged under this Act; or to imprisonment for a term not exceeding two years.

(2) Any person who aids, abets, assists, incites or induces a vendor to—

(a) make or deliver any false return, statement, declaration or particulars under this Act; or

(b) keep or prepare any false accounts concerning the value of prescribed goods or services sold or supplied, shall be liable on conviction before a Magistrate to a fine not exceeding 200 penalty units or to imprisonment for a term not exceeding six months.

History: 30 amended by 14 of 2009, effective 1<sup>st</sup> October 2009. Former 30 reads:

30.—(1) Any person who for the purpose of obtaining any reduction, rebate, repayment or exemption in respect of sales tax either for himself or for any other person or who in any return, statement, declaration or particulars delivered under this Act, knowingly makes any false statement or false representation, shall, notwithstanding any other provision in this or any other Act, be liable on conviction to a fine not exceeding two thousand dollars and double the amount of sales tax which he ought to have charged under this Act; or to imprisonment for a term not exceeding two years.

(2) Any person who aids, abets, assists, incites or induces a vendor to—

(a) make or deliver any false return, statement, declaration or particulars under this Act; or

(b) keep or prepare any false accounts concerning the value of prescribed goods or services sold or supplied,

shall be liable on conviction before a Magistrate to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding six months.

#### Regulations

### 31. Repealed

**History:** Section 31 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: *The Minister may make regulations for the purpose of giving effect to the provisions of this Act and, in particular, but without prejudice to the generality of the foregoing, such regulations may make provision in relation to all or any of the following—*

(a) prescribing anything required or permitted by this Act to be prescribed;

(b) the method of collection and remittance of the sales tax and any condition or requirement affecting such collection or remittance;

(c) exemption or refund of tax in whole or in part owing to special circumstances or in special cases, and prescribing the terms and conditions under which exemptions or refunds may be made.

#### Power of Commissioner to Prescribe forms

### 32. Repealed

**History:** Section 32 repealed by the Tax Administration Act 2022 with effect from 1 January 2023. Formerly: *Subject to the provisions of this Act and any regulations made thereunder, the Commissioner may from time to time prescribe forms required to be used for the purposes of this Act.*

-----



LN87/1990  
LN10/1992  
LN4/1994  
LN45/1995

LN 4/1996  
LN 61/1998  
Heading  
Amended by 10  
of 2014, effective  
1<sup>st</sup> July 2014.  
Former  
heading reads:  
SCHEDULE

## SCHEDULE ONE

	Prescribed Goods and Services	Rate
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 shops and includes beauty parlor.	10%
20.	Casino fee	\$5
	Entrance fee	10%
	Table fee	10%
21.	Laundry services	10%
22.	Tyre Services	10%

**"accounting, legal and security services"** means all charges, fees and dues generally and reasonably arising from providing of accounting, legal and security services;

**"cost of service as per contract or in the contract"** means all fees, charges, dues and include retainers received by the vendor in respect of the services rendered or supplied and in the case of a vendor being on a retainer fee, the cost of service supplied, shall be deemed to be realised and the sales tax payable when the bill of costs is issued;

**"Local and overseas Telecommunications"** includes all forms of telecommunications, and telecommunications" has the meaning given in the Telecommunications Act 2009;

**History:** Definition of Local and overseas Telecommunications repealed and replaced by 20 of 2009 Former definition read:

"local and overseas telecommunications" include all forms of telecommunications

**"professional services"** means all charges, fees and dues generally and reasonably arising from the sale of any professional, technical, advisory or consultancy services rendered and include—

- (i) secretarial services;
- (ii) computer services (including sale of computer, package, manuals, maintenance and training);
- (iii) architectural services (including services in respect of drafting of plans, sketches or drawings);
- (iv) sign writing, design, mural painting, drawing and other related services;
- (v) surveying and valuation fees;
- (vi) civil, electrical or mechanical engineering services  
(including panel beating and body repair work);
- (vii) management and trustee services;
- (viii) marine engineering services;
- (ix) building/construction engineering;

**"restaurant services"** means licensed or unlicensed premises where drinks of any description or cooked food is offered for sale either for consumption within the premises or to be taken away for consumption; and

**"tickets purchased for overseas travel"** means tickets purchased in Solomon Islands but does not include tickets issued in respect of any child under two years of age at the date of commencement of travel.

## SCHEDULE TWO

### Prepayment Type Goods and Services

1. Local and Overseas Telecommunications
2. Sale of petroleum from any premises licensed under the Petroleum Rules
3. Sale of diesoline from any premises licensed under the Petroleum Rules

*(No Subsidiary Legislation)*

*SCHEDULE TWO inserted by 10 of 2014, effective 1st July 2014*