



IMPROVING THE LIFE OF SOLOMON ISLANDERS
Inland Revenue Division Solomon Islands

A Guide to Late Payment & Late Filing Penalties

IRD now applies penalties automatically where returns and payments are filed late

Tax laws are designed to encourage voluntary compliance by clearly setting out your obligations and by applying penalties for not complying with the laws. This includes penalties for late filing and late payment.

Late Filing Penalties

If you are in business or are an employer the law requires you to file your income tax returns and PAYE returns on time. If you don't you will be charged a late filing penalty.

The Penalty Amount

The penalty for filing an income tax return or monthly employer summary (IR9) late is an initial \$500 and \$50 for each further month it remains outstanding.

When are the Return's Due?

Income Tax Returns are due 3 months after the end of your financial year. For most businesses this is 31 March.

All PAYE returns are due on the 15th of the following month in which you deduct the tax and no extensions are given.

Getting An Extension of Time—Income Tax

If you need an extension of time to file your Income Tax Return you must make your request in writing. If we grant you an extension of time then this new date becomes your due date to file your return. If you do not file your return by this new date a penalty will be imposed.

If you have an accountant they may have already applied for an extension of time for you to file your income tax return. Please check with your accountant if you are unsure.

Late Payment Penalties

If you do not pay your due taxes on time we will charge you a penalty. There are different rates of penalty for different tax types

TAX TYPE	INITIAL	ADDITIONAL
Income tax	10% of tax due	10% every 6 months
Provisional Tax	10% of tax due	
PAYE	10% of tax due	10% every 6 months
PAYE	5% of tax due	5% after 1 month & then 5% every 6 months it remains outstanding
Goods Tax	20% of tax owing	
Sales Tax	10%/yr calculated daily	

When we charge a penalty we will notify you of the penalty by way of letter or Statement of Account and the penalty should be paid immediately.

Requests for Remission or Cancellation

If you think we have charged you a penalty incorrectly then please advise us in writing so that we can investigate the situation.

In some circumstances you may be able to apply to have the penalty remitted. For example where a payment or return is late because of:

- Events outside your control
- Incorrect advice from IRD
- A one off error and you normally have a good compliance record

Such requests must be in writing and are the discretion of the Commissioner.

If you have any further queries regarding penalties please contact our office on the details below.

Box G9 Honiara
Ph: 21493 Fax:22369
www.ird.gov.sb