



ANALYSIS

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| 1. | Title
Short Title | 2. | Tax on life assurance
premiums |
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1994, No 22

An Act to amend the Turnover Tax Act 1980

(2 December 1994)

BE IT ENACTED by the Parliament of the Cook Islands in Session assembled, and by the authority of the same as follows:

1. Short Title and commencement - (1) This Act may be cited as the Turnover Tax Amendment Act 1994, and shall be read together with and deemed part of the Turnover Tax Act 1980 (hereinafter referred to as "the principal Act").

(2) This Act shall be deemed to have come into force in respect of the tax year commencing on the 1st January 1994.

2. Tax on life assurance premiums - The principal Act is amended by inserting after section 26, the following new section -

"26A Tax on life assurance premiums - (1) Turnover tax shall be assessed and levied in respect of every premium paid pursuant to a contract of life insurance or assurance at a rate equivalent to 10% of the premium so paid.

(2) For the purposes of this section, every person who pays a premium for any life insurance or assurance policy shall be deemed to be the agent of the person who is carrying on the business of life insurance or assurance, and shall be liable to pay the turnover tax applicable to the premium, and the person to whom the premium is paid shall be exempt from payment of the turnover tax.

Price .50c

(3) Notwithstanding any provision to the contrary, turnover tax that shall be payable under this section shall be assessed and levied upon the taxpayer furnishing an annual return to the Collector pursuant to section 8 of the Income Tax Act 1972.

(4) The amount of turnover tax that shall be payable under this section shall be deducted by the Collector from any refund of income tax that shall be due to the taxpayer, and in the event that no such refund shall be due, then the liability of the taxpayer for income tax under the Income Tax Act 1972 shall be increased by the amount of turnover tax assessed under this section, as if that tax were income tax."

This Act is administered by the Inland Revenue Department