



Tuvalu

INCOME TAX (AMENDMENT) ACT 2017



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Arrangement of Sections

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INCOME TAX (AMENDMENT) ACT 2017

AN ACT TO AMEND SECTION 5A OF THE INCOME TAX ACT ON PRESUMPTIVE TAX

Commencement [24th November 2017]

1 Short Title

This Act may be cited as the Income Tax (Amendment) Act 2017.

2 Income Tax Act Amendment

(1) Section 5A is deleted in its entirety and replaced with the following;

5A Presumptive Tax

(1) Notwithstanding section 21, Schedule 4 and the other provisions of this Act, presumptive tax is imposed on a person carrying on business in Tuvalu who:-

(a) is not a taxable person for the purposes of the Consumption Tax;

(b) whose business was in existence throughout the whole of the previous year; and

(c) whose annual gross income was less than \$100,000 in that previous year.

(2) Where the annual gross income of the person is \$50,000 or less the presumptive tax shall;

(a) be paid by the person for a fiscal year; and

(b) the amount of presumptive tax payable by the person for a fiscal year shall be determined according to Schedule 9.

(3) Where the annual gross income of the person is more than \$50,000, the presumptive tax shall;

(a) be payable quarterly; and

- (b) the amount of presumptive tax payable by the person for each quarter shall be 2% of the gross income of the quarter.
- (4) In determining the gross income of a person for a tax period for the purpose of this section or Schedule 9, the Taxation Officer may have regard to the annual gross income of an associate or associates of the person for that period.
- (5) Presumptive tax shall be a final tax on the taxable income from businesses of taxpayers upon whom it is imposed. No allowances, deductions or reductions shall be permissible in respect of presumptive tax.
- (6) A presumptive taxpayer shall file a presumptive tax return for each quarter within 15 days of the end of the quarter.
- (7) A presumptive tax shall be due by the due date for filing the presumptive return for the quarter regardless of any assessment.
- (8) The Taxation Officer may assess presumptive tax payable by a taxpayer in the event that a presumptive taxpayer fails to file a presumptive tax return or if the Taxation Officer is dissatisfied with the said return.
- (9) The assessment prescribed under subsection (8) shall be made *mutatis mutandis* in the same fashion and according to the rules as pertained in other tax types provided in this Act.

3 Introduction of Schedule 9

The Act is amended by the insertion of a Schedule 9.

SCHEDULE 9**PRESUMPTIVE TAX**

(Section 5A)

PRESUMPTIVE TAX RATES

The Rates of Presumptive Tax for the Purposes of Section 5A are;

Actual gross income	Presumptive tax payable	Presumptive tax payable per quarter
\$10,000 OR LESS	\$100.00	\$25.00
\$10,001-\$30,000	\$250.00	\$62.50
\$30,001-\$50,000	\$500.00	\$125.00
\$50,001-\$100,000	2% of the Gross Income of the quarter	