



I assent.

[L.S.]

P. K. GANILAU

Governor-General

16th December 1986

AN ACT

TO AMEND THE INCOME TAX ACT Cap. 201

[1st January 1987]

ENACTED by the Parliament of Fiji—

Short title, etc.

1.—(1) This Act may be cited as the Income Tax (Amendment) Act, 1986.

(2) In this Act the Income Tax Act is referred to as the principal Act.

Commencement

2. This Act shall come into force on 1 January 1987.

Basic Tax

3. Section 6 of the principal Act is amended—

- (a) by substituting the words "two thousand five hundred dollars" for the words "two thousand dollars" in sub-paragraph (i) of paragraph (a) of subsection (1); and
- (b) by substituting the words "two thousand five hundred dollars" for the words "two thousand dollars" wherever these words appear in paragraph (a) of subsection (2).

Normal tax

4. Section 7 of the principal Act is amended by substituting the words "two thousand five hundred dollars" for the words "two thousand dollars" wherever these words appear in paragraph (a) of subsection (1).

Increased exemption in respect of certain agricultural income

5. Section 16 of the principal Act is amended by repealing sub-paragraph (ii) of paragraph (c) of subsection (1) and substituting the following—

“(ii) the income (in this sub-paragraph referred to as “prescribed farming income”) derived by an individual from any other farming activity, including fishing and forestry but excluding cane farming, shall be exempt from normal tax for a period of 4 years commencing on 1 January 1987 subject to the conditions that the individual shall deliver to the Commissioner a return of his total income in accordance with the provisions of this Act, and that if he has income other than prescribed farming income, such other income shall be liable to tax, and the prescribed farming income shall be exempt from normal tax at the average rate of normal tax applicable to the individual for the year of assessment; and for the purposes of this sub-paragraph the average rate of normal tax of the individual for the income year in question shall be the total normal tax payable by him for that income year divided by his total income (including all exempt prescribed farming income) for that income year.”

Incomes not taxable

6. Section 17 of the principal Act is amended—

- (a) by substituting the words “four hundred dollars” for the words “two hundred dollars” wherever these words appear in sub-paragraph (ii) of paragraph (8);
- (b) by substituting the words “five hundred dollars” for the words “four hundred dollars” wherever these words appear in sub-paragraph (iii) of paragraph (8);
- (c) by substituting the words “five hundred dollars” for the words “four hundred dollars” in the proviso to paragraph (8); and
- (d) by repealing paragraph (48) and substituting the following—
“(48) for a period of 3 years commencing on 1 January 1987, the income, equivalent to the income on which rebate would be granted under paragraph 5(i) of the Fifth Schedule, of a company which is engaged in the export of timber grown in Fiji.”

7.—(1) Section 21 of the principal Act is amended by repealing paragraph (q) and substituting the following—

- “(q) such amount as is deposited in an account approved by the Commissioner specifically operated by any bank for the purpose of providing a reserve against destruction of or damage to a building situated in Fiji caused by windstorm, tidal wave, landslide, or a like catastrophe:
Provided that—

- (i) the deduction allowed shall not exceed in the case of a commercial, industrial or agricultural building 1.5 per cent of the replacement cost, or in the case of a residential building the lesser of \$500 or 1.5 per cent of the replacement cost, of the building in respect of which such account is operated;
- (ii) any amount which is withdrawn from such account and not applied towards the repair of a building damaged by windstorm, tidal wave, landslide or a like catastrophe, shall be assessed, together with any interest thereon, in terms of paragraph (bb) of section 11.

In this paragraph "building" includes outbuildings, walls, gates, fences and such other ancillary structures as may be approved by the Commissioner, which are on the same premises as, and used in connection with, a principal building."

(2) The amendment made by subsection (1) shall be deemed to have come into force on 1 January 1986.

7A. Section 36 of the principal Act is amended by substituting for the expression "1986" in subsection (3) the expression "1987".

Objection to assessment

8. Section 62 of the principal Act is amended—

- (a) by substituting for the words "twenty-one" in subsection (5) the words "thirty-five"; and
- (b) by adding immediately after subsection (5) the following subsection—

"(5A) Where, before the expiration of the time specified in a notice given under subsection (5), the person to whom the notice is given makes application in writing to the Commissioner for an extension of that time, the Commissioner may, in his discretion, extend that time for such period as he thinks fit and shall, as soon as practicable, give notice in writing to the applicant of his decision, and, where the time is so extended, a reference in this Act to the time specified in a notice given under subsection (5) shall be deemed to include a reference to that time as so extended."

Interest on late refunds

9. Section 78 of the principal Act is amended by adding the following subsection immediately after subsection (3)—

"(4) Where a refund due to a person in respect of an assessment is not made within 6 months of the date of furnishing of the return of income, there shall be paid to such person, in addition to the amount of the refund due, a further sum equal to 5% per annum of the

amount of the refund, calculated from the expiry of 6 months from the date of lodgement of such return to the date on which the refund is made, provided that the delay is entirely in the office of the Commissioner.”.

Normal tax general rebate increased

10. Section 101 of the principal Act is amended by substituting for the words “thirty dollars” wherever they appear in the section the words “seventy dollars”.

Export Incentives

11. The Fifth Schedule to the principal Act is amended—

(a) by adding the following sub-paragraph immediately after subparagraph (iii) of paragraph 5—

“(iv) where the Minister considers that an approved product has not been adequately marketed overseas and further government assistance is desirable to facilitate exports which will generate substantial foreign exchange earnings, he may by direction to the Commissioner extend the 8 year period referred to in subparagraph (i), upon such conditions as he thinks fit, by a period not exceeding 5 years.”; and

(b) by repealing the words “indigenous timber” wherever they appear in paragraph 8 and substituting the words “timber grown in Fiji.”.

Passed by the House of Representatives this second day of December, in the year of our Lord one thousand, nine hundred and eighty-six.

Passed by the Senate this tenth day of December, in the year of our Lord one thousand, nine hundred and eighty-six.