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INTERIM GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS

INCOME TAX ACT (AMENDMENT)(NO. 1) PROMULGATION 2008  
(PROMULGATION NO. 15 OF 2008)

IN EXERCISE of the powers conferred upon the Interim Government, and upon the exercise of my own deliberate judgment as President of the Republic of the Fiji Islands as to what is best and good for the people of the Republic of the Fiji Islands, and by exercise of the executive authority of the State in accordance with section 85 of the Constitution and such other powers as may appertain, and with the approval of the Cabinet, I, Josefa Iloilovatu Uluivuda, make this Promulgation

TO AMEND THE INCOME TAX ACT (CAP. 201)—

*Short title and commencement*

1.—(1) This Promulgation may be cited as the Income Tax Act (Amendment) (No.1) Promulgation 2008, and comes into force on 1 June 2008.

(2) The Income Tax Act shall be referred to as the “principal Act”.

*Section 7 amended*

2. Section 7 of the principal Act is amended by deleting “\$9,000” and substituting it with “\$15,000” wherever it appears under subsection 7(1)(a).

*New Section 7D inserted*

3. The principal Act is amended by inserting the following new section 7D after section 7C—

*“2008 assessment*

*Method of assessment of tax payable*

7D—(1) Where a person, not being a company, is liable to taxation in the year of assessment ending 31 December 2008, that person shall be assessed to tax in accordance with the provisions of this Section.

(2) The tax payable for 2008 shall be the sum of (A) and (B) below determined as follows—

(A) For the period 1st January 2008 to 31st May 2008—

- (i) The taxable income for this period shall be determined by taking the income for the period grossed up using a factor of 12/5;
- (ii) the resultant amount shall be reduced by the annual allowances: this amount is termed “notional annual income”;
- (iii) the tax payable for this period shall be calculated on the “notional annual income” using the income tax rates prevailing as at 1st January, 2008; and
- (iv) the resultant amount which is the “notional tax payable” on the “notional annual income” is reduced using a factor of 5/12.

For the purposes of this section, unless the context otherwise requires, the words “notional tax payable” and “notional annual income” as mentioned above, may be used only in the context of section 7D (2) (A).

(B) For the period 1st June 2008 to 31st December 2008:

- (i) The taxable income for this period shall be determined by taking the income for the period grossed up using a factor of 12/7;
- (ii) the resultant amount shall be reduced by the annual allowances: this amount is termed “notional annual income”;
- (iii) the tax payable for this period shall be calculated on the “notional annual income” using the income tax rates prevailing as at 1st June, 2008; and
- (iv) the resultant amount which is the “notional tax payable” on the “notional annual income” is reduced using a factor of 7/12.

For the purposes of this section, unless the context otherwise requires, the words “notional tax payable” and “notional annual income” as mentioned above, may be used only in the context of section 7D (2) (B).

(3) Where a person receives income for part of the income year, the tax will be assessed as determined by the Commissioner.”

*Fourth Schedule amended*

4. The Fourth Schedule to the principal Act is amended by—

- (a) continuing in force until 31st May, 2008 Table A5 of the rates of normal tax assessment with the heading “Table A5 – Year of assessment 2008 and every subsequent year”, which Table will, after 31 May 2008, only be relevant for use in assessing rates of normal tax for the period prior to and including 31st May 2008; and
- (b) inserting, after Table A5, a new Table A6 of the rates of normal tax assessment, which comes into force from 1st June, 2008 until 31st December, 2008 and applies in every subsequent year, as follows:

“Table A6 – Year of assessment 2008 (1st June – 31st December) and every subsequent year

RESIDENT INDIVIDUALS AND RESIDENT INDIVIDUAL TRUSTEES

<i>Chargeable Income</i> (\$)	<i>Tax payable</i> \$
0 -15,000	Nil
15,001- 15,600	25% of excess over \$15,000
15,601 – 22,000	150 + 31% of excess over \$15,600
22,001 +	2650 + 31% of excess over \$22,000”.

Given under my name this 25th day of June 2008.

J. I. ULUIVUDA  
President of the Republic of the Fiji Islands