



# **THE INCOME TAX (AMENDMENT) ACT 1991**

(NO. 6 OF 1991)

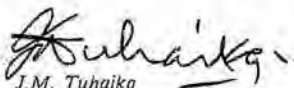


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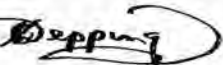
*Passed by the National Parliament this third day of July 1991.*

*This printed impression has been carefully compared by me with the Bill passed by Parliament and found by me to be a true and correct copy of the said Bill.*



*J.M. Tuhaika  
Clerk to the National Parliament*

*Assented to in Her Majesty's name and on Her Majesty's behalf this twelfth day of July 1991.*



*G.G.D. Lepping  
Governor-General*

*Date of commencement: see section 1.*

AN ACT To Amend the Income Tax Act, Cap. 61.

ENACTED by the National Parliament of Solomon Islands.

## THE INCOME TAX (AMENDMENT) ACT 1991

## ARRANGEMENT OF SECTIONS

## Section:

1. Short title and commencement.
2. Amendment of section 2 of Cap. 61.
3. Insertion of new section 11A.
4. Amendment of section 42.
5. Repeal and replacement of section 90.

Short title  
and commence-  
ment.

1. This Act may be cited as the Income Tax (Amendment) Act 1991, and shall come into operation on such date as the Minister may appoint, by notice published in the Gazette.

Amendment  
of section 2  
of Cap. 61.

2. Subsection (1) of section 2 of the Income Tax Act (hereinafter referred to as the "principal Act") is hereby amended in the following respects -

- (a) in the definition of "Commissioner" by adding after the words "section 90" the words "and includes any Deputy Commissioner or any other officer authorised to exercise or perform all or any of the powers, duties or functions of the Commissioner;"
- (b) by adding next after the definition of "company" the following new definition -

"Deputy Commissioner" means a Deputy Commissioner of Inland Revenue appointed pursuant to section 90 and includes any other officer authorised to exercise or perform any of the powers, duties or functions of a Deputy Commissioner;"

Insertion  
of new  
section 11A.

3. The principal Act is hereby amended by inserting therein next after section 11 the following new section as section 11A -

"Certain 11A.(1) Where the Minister is of the opinion that income it would assist any business operations of a Solomon from Islander or a Solomon Islands company successfully business to become established, he may, subject to the other opera- provisions of this section, declare the total income tions derived by, or accruing to, such person or company to be from such operations to be exempt from tax to such exempted. extent, and subject to such terms and conditions,

as he may see fit to specify and such income shall be exempt accordingly:

Provided that this subsection shall not apply to any person or company that has been granted investment incentives under Part IIA of the Act.

(2) The total income of any person or company which may be exempt from tax by the Minister under this section shall not exceed twenty-five thousand dollars or such greater amount, not exceeding one hundred thousand dollars, as the Minister may, with the consent of the Cabinet, in any particular case decide.

(3) No exemption may be granted under this section in respect of income other than income accrued or derived during the period of five years commencing either -

- (a) on 1st day of February, 1990; or
- (b) on such other date as the Minister may specify in respect of a particular person or company when granting such exemption,

which date be the later:

Provided, however, that the Minister may, in respect of the income of any particular person or company, with the approval of the Cabinet, extend any such five-year period by a further period not exceeding five years.

(4) Any person or company seeking an exemption under this section shall make application in that behalf within six months of the commencement of this Amending Act or within six months of the commencement of the operations of the business in question, whichever be the later. Such application shall be in writing and shall be accompanied with full particulars of such operations, the source and amount of capital employed, or intended to be employed, in such operations, and, in the case of a company, the names and addresses of all persons having a beneficial interest in the shares of such company. If requested in writing by the Commissioner so to do, any such

person or company shall also supply such further information as the Commissioner shall deem necessary to enable the application to receive proper consideration.

(5) A declaration under this section may be revoked by the Minister if at any time it appears to him that -

- (a) the information supplied under subsection (4) in relation thereto was so incorrect as to be misleading; or
- (b) in the case of any such declaration exempting the income of a Solomon Islands company, if at any time thereafter it ceases to be a Solomon Islands company within the meaning ascribed to that expression; or
- (c) the business operations concerned have become successfully established; or
- (d) the purpose for which the exemption was granted has for any reason become impossible to achieve; or
- (e) such person or company has been granted investment incentives under Part IIA of the Act.

Any revocation under this subsection shall have effect for all the purposes of this Act from the commencement of the year in which the revocation is made:

Provided that in the case of any revocation made on the grounds set forth in paragraphs (a) or (e) the Minister may specify that the revocation shall have such effect from any date which he shall deem just.

(6) For the purposes of this section the expression "Solomon Islands company" shall mean a company incorporated in Solomon Islands and whose registered office and place of business is situated in Solomon Islands and whose shares are allotted in such manner that not less than 60 per centum of the equity of such company is owned beneficially by Solomon Islanders.

4. Paragraph (i) of the proviso to section 42(1) is hereby amended by deleting the words "thirteen hundred" and substituting therefor the words "two thousand seven hundred".

Amendment  
of section 42.

5. Section 90 of the principal Act is hereby repealed and the following new section substituted therefor -

Repeal and  
replacement  
of section 90.

- "Appoint-  
ment of  
Commis-  
sioner,  
Deputy Com-  
missioner and  
other officers.
90. (1) For the due administration of this Act, there may be appointed -
- (a) a Commissioner;
  - (b) one or more Deputy Commissioners;
  - (c) such other officers as may be necessary; and
  - (d) one or more agents within or outside Solomon Islands for the purpose of carrying out such duties under this Act as are specified in the instrument of appointment.
- (2) Any appointment under subsection (1) shall, if the person appointed is to be a public officer, be made pursuant to the Constitution, but otherwise shall be made by the Minister.
- (3) An agent appointed pursuant to subsection 1(d) shall be deemed to be an officer for the purpose of carrying out his duties."

