

RECOVERY OF UNPAID TAX

Recovery By Suit - (s35 of RAA 2013)

A taxpayer may be sued in court by the tax office on behalf of Government, for the unpaid tax.

Collection from 3rd-PARTY - (s36 of RAA 2013)

Unpaid tax may be recovered from 3RD Parties that owe money to the taxpayer under a **GARNISHEE NOTICE**.

Security - (s38 of RAA 2013)

The tax office may require security by bond, deposit, or otherwise, in such amount as may seem fit.

Seizure of Goods - (s39 of RAA 2013)

Imported Goods may be seized if the VAT or excise tax will not be paid by the taxpayer/importer.

Departure Prohibition - (s40 of RAA 2013)

A taxpayer may be prohibited from leaving the country unless full payment or instalment agreement is made with the tax office.

Temporary Closure of Business - (s41 of RAA 2013)

Failing to file a tax return on several occasions may result in a temporary closure of the Business.

DEFAULT ASSESSMENTS - (s19 of RAA 2013)

A taxpayer may be issued an estimate assessment for failing to file an income tax return for each tax year.

INCOME SPLITTING - (s98 of ITA 2023)

The Chargeable Income and Tax Credits may be **ADJUSTED** in any cases of such.

TAX PAYMENTS

CASH Payment is acceptable by MFED Cashier.

ELECTRONIC TRANSFER Payments:

A/C Name: Kiribati Government - Sweep Account

A/C Number: 1364161

Taxpayer's Obligations

TAX Invoice for VAT Registered Businesses - (s9 of VAT Regulations. 2014)

The Tax Invoice should contain:

- the word TAX INVOICE
- Date & individualized serial #
- Name, Address & TIN of both supplier & recipient
- Description of goods/services supplied
- Price & VAT charged

Did You Know????

Tax officials may visit your place of business to examine your records and provide guidance. (s.45 of RAA 2013)

TAX EDUCATION - Free Service

For further assistance, awareness and training, please

Asset Type	Amount of Depreciation Deduction
Industrial building	5% of cost
Motor Vehicles	20% of written down value
Furniture and Fittings	25% of written down value
Ship	10% of cost
Tanks, other than mobile tanks, of not < 1,000 Liters for storage of petroleum products	3% of cost
Plant, machinery, equipment, computers, printers, data handling equipment; software and other depreciable asset not mentioned above	25% of written down value
Preliminary expenditure	25% of the amount of the expenditure
Business intangible with a useful life of more than 10 years	10% of the cost
Any other business intangible	100% divided by the number of years in the useful life of the intangible applied against the cost of the intangible.
Any depreciable asset/intangible with cost of less than \$300	100%

MFED



KIRIBATI TAX DIVISION TARAWA & KIRITIMATI

- ◆ *Taxpayer's Obligations*
- ◆ *Recovery Methods*
- ◆ *Offences & penalties*

We are a division of the Ministry of Finance & Economic Development located at Bairiki, South Tarawa. Our branch office is situated in Ronton, Kiritimati Island.

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Taxpayer Services Unit

Registration, Tax Education,
Other Tax queries

Debt Management Unit

Statements, Instalment, Business
Tax Clearances

Processing Unit

Filing & Assessment, Payments,
Insurance Refunds

Audit & Compliance Unit

Audits, VAT refunds

TO BE FAIR AND CONSISTENT

"To serve and improve the efficiency in collecting Government Revenue for the benefit of the people of Kiribati"

TAX RATES - Schedule 1 ITA 2023

Resident Individual tax rate commencing from 1 January 2014 to date

\$0 - \$5,000	Nil
\$5,001 - \$15,000	20% on the excess over \$5,000, @ 2,000
\$15,001 - \$30,000	25% on the excess over \$15,000, @ 3,750
\$30,001 above	30% on the excess over \$30,000

Resident Company tax rate commencing 1/01/2001 to date

\$0 - \$25,000	20% on the excess over \$0.00 @\$5,000
\$25,001 - \$50,000	30% on the excess over \$25,000, @7,500
\$50,001 above	35% on the excess over \$50,000

Non resident Individual & Company tax rates 30%

FILING OBLIGATIONS

"FILING" FOR TAX PURPOSES - (s14 of RAA 2013)

It is a tax obligation that requires a taxpayer to file a tax return under a tax law using the approved form in the prescribed manner.

TAX RETURN - (s2 of RAA 2013)

A return required to be filed under a tax law e.g. Income Tax Return, VAT return, PAYE return, WTH Tax return

APPROVED FORM - (s14 & s56 of RAA 2013)

The tax return that is required to be filed under a tax law should be in the approved form. All related forms are available at the tax office.

WHO IS REQUIRED TO FILE A TAX RETURN?

- Individual who earns income from employment & business
- Sole trader
- Partner in a Partnership
- Beneficiary of an estate or trust
- Earning other income apart from employment, interest, dividend.
- Employer
- VAT Registered
- Companies
- Co-operatives
- Contractors
- Project Staff/Consultants
- Project Employers
- SOE(s)

Did You Know????
You can now download any tax forms from this WEBSITE:
tax.gov.ki

TAX RETURNS DUE DATES

TAX RETURN	TAXPAYER	DUE DATE
Monthly PAYE Tax Return	Employer	Within 21 days after end of the month
Monthly Withholding Tax Return	Principal	Within 21 days after end of the month
Quarterly VAT Return	VAT Registered	Within 15 days after end of the quarter
Annual PAYE Tax Return	Employer	Within 3 months after end of the year
Annual Withholding Tax Return	Principal	Within 3 months after end of the year
Income Tax Return	<ul style="list-style-type: none"> • Sole Trader • Partnership • Companies & • Co-operatives 	Not later than 31 st March each year Not later than 31 st March each year 3 months after end of financial year

EXTENSION for FILING - (s15 of RAA 2013)

A taxpayer may, before the due date, apply in writing to the Board for an extension of time to file the return.

TAX RETURN DULY FILED - (s17 of RAA 2013)

A tax return that is purported to be filed by or on behalf of a taxpayer is treated as having been filed by the taxpayer or with the taxpayer's authority unless the contrary is proved.

RECORDS - s13 of RAA 2013

Records and/or documents shall be retained by the taxpayer for a period of 7 years after the tax year to which they relate.

PAYMENT OBJECTIONS AND APPEALS

Payments must be made within 30 days after the date of the notice of assessment. Failure to pay by the due date will render the taxpayer liable to a penalty. (Section 107 of ITA 2023)

Objections to assessment must be in writing to the Internal Revenue Board within 60 days of date of service of notice of assessment and must state clearly in detail the ground upon which the appeal is made. (Section 25 of RAA 2013)

A taxpayer dissatisfied with the Board's decision may lodge an appeal with the Tribunal within 90 days of date of service of notice of assessment. (Section 26 of RAA 2013)

Any party dissatisfied with the decision of the Tribunal has the right of appeal to the High Court by lodging an appeal within 60 days after the date of service of notification of the Tribunal's decision. (Section 27 of RAA 2013)

TAX PAYMENT DUE DATES

TAX PAYMENT	TAXPAYER	DUE DATE
Monthly PAYE Tax	Employer	Within 21 days after end of the month
Monthly Withholding Tax	Principal	Within 21 days after end of the month
Quarterly VAT	VAT Registered	Within 15 days after end of the quarter
Income Tax	<ul style="list-style-type: none"> • Sole Trader • Partnership • Companies • Co-operatives 	Within 30 days after the service date of the notice of assessment
Provisional Tax	All Businesses/ Individuals registered for INCOME TAX	31 July 31 October 31 January

PROVISIONAL TAX - s108 of ITA 2023

Payable by three installments on the last day of the month following the end of the

- 6th month due by 31 July
- 9th month due by 31 October
- 12th month due by 31 January
- Payable per quarter by 27.5% of the latest year's tax due.

OFFENCES	PENALTIES
Late Filing Penalty - s63 of RAA 2013	\$30 per month.
Late Payment Penalty - s64 of RAA 2013	15% of the unpaid tax.
Late Payment interest - s34 of RAA 2013	15% per annum on the unpaid tax calculated from the date the payment is due until the date of payment.
Failure to keep records - s65 of RAA 2013	75% of the amount of tax payable for the related period OR
Tax Shortfall Penalty - s66 of RAA 2013	20% of the amount of tax payable for the related period
Providing False or Misleading Statements -s72 of RAA 2013	Not exceeding \$5000 AND/OR Imprisonment not exceeding 2 years
Offences relating to TIN - s74 of RAA 2013	Not exceeding \$5000 AND/OR Imprisonment not exceeding 2 years