

**IMPORTANT NOTICE TO ALL BUSINESS LICENSE HOLDERS**

Now that you have been granted a business license under the Business License Act 1998, please note that such license expires on the 31<sup>st</sup> December every year and must be renewed by January of the following year. Any late renewal after January will lead to an imposition of a late payment penalty (\$200).

To help you with your new journey as a business person, we have listed below your statutory tax obligations as provided under the **TAX ADMINISTRATION ACT 2012, INCOME TAX ACT 2012 & VAGST ACT 2015**. It is important to note that there may be penalties if these obligations are not adhered to.

<b>TAX OBLIGATIONS</b>	
<b>Section 29 TAA 2012:</b> <a href="#">Keeping of Records</a>	Every person carrying on business must keep records and shall retain such records for a period of at least 7 years.
<b>Section 80 ITA 2012:</b> <a href="#">Obligation to file annual Income Tax Return</a>	Every person carrying on business, is required to file an annual income tax return. You must file income tax return for the tax year within three (3) months after the end of the tax year. Most if not all, are required to adopt the statutory tax year (Jan-Dec) with balance date of 31 Dec and must file by 31 March, three months after balance date. If taxpayer has a different balance date, hence tax year, must first seek Commissioner's approval, stating valid reasons, before adopting balance date other than the statutory balance date of 31 Dec.
<b>Section 93 and 93A ITA 2012:</b> <a href="#">Obligation to file and pay Salary and Wage tax or Pay As You Earn ("PAYE") tax</a>	If you employ personnel (even one person) and pay wages or salaries, you are required to deduct PAYE tax from your employee's salary or wage and remit to Commissioner through monthly P4 return. If salary and wage income is below non-taxable threshold, hence no PAYE tax, you are still required to register and file monthly P4 to disclose payment made to employee(s). These monthly payments should reconcile to Salary & wage expenses you will claim in your annual income tax return.
<b>Section 85 ITA 2018:</b> <a href="#">Obligation to pay provisional tax</a>	A person who is liable for income tax must pay instalments of provisional tax for a tax year by 31 March, 31 July and 31 October of the tax year. <b>For example:</b> For the tax year of 2018, you will pay 2018 provisional tax in three instalments based on previous tax year's taxable income. If 2017 taxable income was \$39,000.00 then your provisional tax will be \$3,510 due before or on 31 March 2018, \$3,510 before or on 31 July 2018 and last instalment before or on 31 October 2018. [ $\$39,000 \times 27\% = \$10,530$ annual income tax (divided by 3 instalments) = \$3,510 per instalment. When you file 2018 income tax return by 31 March 2019, the 3 instalments of provisional tax you paid will be credited against your 2018 income tax liability.
<b>Section 9 VAGST ACT 2015:</b> <a href="#">Obligation to register for VAGST</a>	A person who carries on a taxable activity in Samoa becomes liable for registration for "VAGST" if their total value of supplies in any twelve-month period exceeds \$130,000.00. He is required to file a bi-monthly VAGST return before or on 21 <sup>st</sup> date of next month.
<b>Section 47, 48 and 49 TAA 2012</b> <a href="#">Penalties for tax</a>	<b>Late Filing Penalty:</b> *Company: \$300 after grace period from due date.*Sole Trader: \$100 after grace period from due date. <b>Late Payment Penalty:</b> 10% on unpaid tax after the grace period from due date. <b>Late Penalty Interest:</b> 8.7% on unpaid tax immediately after due date.
<a href="#">Due Dates for Filing of returns</a>	Income Tax: 31 <sup>st</sup> March every year; PAYE: 15 <sup>th</sup> of every month; VAGST: 21 <sup>st</sup> of every month

If you need help in understanding the above, or anything in relation to your obligations as a business owner, please do not hesitate to come in to any of our Offices (main at Level 4 DBS Building or Salelologa Office) or contact our Taxpayer Services Division at phone 20411 ext 204, 232, 300, 302. We are here to help make things easier for you.

Chief Executive Officer/Commissioner of Inland Revenue  
**MINISTRY FOR REVENUE**