

REPUBLIC OF VANUATU

BILL FOR THE RENT TAXATION (AMENDMENT) ACT NO. OF 2018

Explanatory Note

The Bill amends the Rent Taxation Act to ensure that it is aligned with the new administrative rules contained in the new Tax Administration Act.

Definitions are aligned with the proposed new Tax Administration Act. The Director of Customs and Inland Revenue is responsible for the daily operation and administration of the Rent Taxation Act.

The Bill provides that the appeal and review rules in the new Tax Administration Act will apply to assessments of tax under the Rent Taxation Act.

Many of the administrative provisions of the Rent Taxation Act are no longer required as the Tax Administration Act contains modern administration provisions which will be used by the Director of Customs and Inland Revenue to administer and enforce this Act. Accordingly, provisions in the Rent Taxation Act dealing with penalties and offences and the lodgment of returns are now being removed.

The amendments will achieve the following:

- (a) the Director of Customs and Inland Revenue will be able to exert more control over the daily operation and administration of the Rent Taxation Act; and
- (b) there will be timely payment of tax by taxpayers to the Government ; and
- (c) rental property owners are now required to keep records of their business activities and make adequate declarations.

The Bill does not change the rate of tax or how it is calculated.

Minister of Finance and Economic Management



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Arrangement of Sections

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BILL FOR THE RENT TAXATION (AMENDMENT) ACT NO. OF 2018

An Act to amend the Rent Taxation Act [CAP 196].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Rent Taxation Act [CAP 196] is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF RENT TAXATION ACT [CAP 196]

1 References to “Collector”

Delete all reference to “Collector”(wherever occurring in the Act), substitute “Director”

2 Section 1 (Definition of “Collector”)

Repeal the definition.

3 Section 1

Insert in their respective alphabetical positions:

““approved form” has the same meaning as in the Tax Administration Act No. of 2018;

“Director” has the same meaning as in the Tax Administration Act No. of 2018;

“person” has the same meaning as in the Tax Administration Act No. of 2018;”

4 Section 2

Repeal the section, substitute

“2 Director is responsible for the administration of this Act

The Director is responsible for the day to day management and administration of this Act.”

5 Sections 6, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31 and 33

Repeal the sections.

6 Subsection 8B(3)

Repeal the subsection.

7 Subsection 9(3)

Renumber as (2).

8 Paragraph 9(2)(d)

Repeal the paragraph, substitute

“(d) political parties, if at least one member of that party is a member of Parliament.”

9 Section 11

Repeal the section, substitute

“11. Returns to be furnished by the taxpayer

A taxpayer must, within 28 days immediately succeeding the end of a chargeable period, provide the Director with a return detailing all the rent derived by that taxpayer during that chargeable period.”

10 Section 14

Repeal the section, substitute

“14. Payment of tax

The rent tax payable by a person for a chargeable period is due on the date that the rent tax return for that period is due.”

11 Subsection 29(1)

Repeal the subsection, substitute

“(1) In addition to any records required to be kept and retained under the Tax Administration Act No. 2018, the Minister may prescribe such other records a taxpayer is required to keep or retain for the purposes of this Act.”

12 Section 34

Repeal the section, substitute

“34. Regulations

- (1) The Minister may, by Order, make Regulations prescribing all matters:
- (a) required or permitted by this Act to be prescribed; or
 - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.
- (2) The Regulations may:
- (a) provide for the withholding of rent tax from payments of rent in respect of any person or class of persons; or
 - (b) prescribe penalties not exceeding VT1, 000,000 or a term of imprisonment not exceeding 1 year, or to both, for offences under the Regulations.”