

ENFORCEMENT OF RECOVERY OF TAX



MINISTRY OF
FINANCE &
ECONOMIC
DEVELOPMENT

Authorised by the
COMMISSIONER OF
TAXES

P. O .BOX 67

TELEPHONE NUMBERS :

THE SWITCHBOARD : 686 21806

ALL SECTIONS ARE AS FOLLOWS;

1. COMMISSIONER OF TAXES
2. Administration
3. Processing
4. Compliance & Audit
5. Debt & Return

ENFORCEMENT OF RECOVERY OF TAX ARREARS



INTERNAL REVENUE BOARD

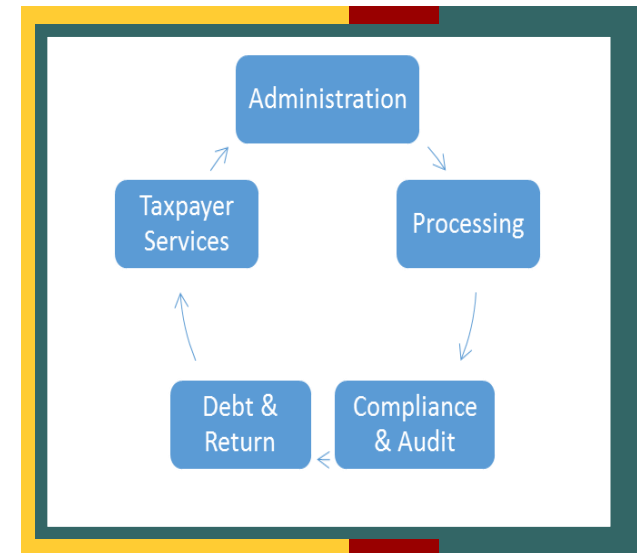


DEVELOP THE PAMPHLET ON ENFORCEMENT OF RECOVERY OF TAX ARREARS. (INFORMATION FOR TAXPAYERS THAT WILL INDIRECTLY INFLUENCE THEM TO PAY TAX TIMELY).

ENFORCEMENT OF RECOVERY OF TAX ARREARS



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ENHANCING ECONOMIC GROWTH FOR SUSTAINABLE DEVELOPMENT.

A VIBRANT ECONOMY FOR THE PEOPLE OF KIRIBATI.

1.. What is Tax?

Tax is the government main revenue for the Kiribati people and also known as the Government backbone. If there is no progress in controlling tax revenue, the government Expenses might be affected or No improvement To face the needs of its people.

2. Why is it important?

To fund Government to meet it's Expenses
E.g. Medication, Education, Road Maintenance for transport, Staff salary, Elderly Payment and Outer Island Copra Payment.

3. What are the Tax Office Services?

Tax office Services are consists of 5 sections to assist Taxpayers which are outlined below:

- A) Administration
- B) Processing
- C) Compliance & Audit
- D) Debt and Return
- E) Taxpayer Services

4. What are Tax Types?

- Income Tax
- Pay As You Earn (PAYE)
- Value Added Tax (VAT)
- Withholding tax
- Provisional tax

5. When tax type is due?

- Financial Account due at 31/03—Income Tax
- Period of 3 months—within 15 days after the end of the period—VAT
- Monthly payments before 15 next month—PAYE
- Withholding tax before 15 next month.

6. What are the offence fail to file tax return?

- Tax Assessments issued
- Due 30 days after the notice of assessment
- If not pay on the required due date penalty applies of 15% interest
- Temporary Closure of Business.
- Prosecution.

Enforcement

Negotiation with taxpayers is the best way of collecting debt. But sometimes taxpayers don't co-operative or don't comply with their agreement. In these cases you need to consider taking enforcement action.

- **Keep track of what is agreed. Put notes in your diary to check up on payments.**

(A) Departure Prohibition—Section 40 of the Revenue Administration Act 2013 gives the board the power to the Principal Immigration Officer must prevent the person from leaving Kiribati until the person (a) makes payment in full; or (b) makes an agreement satisfactory to the board for the payment of the tax.

(B) Garnishee notices—Section 114 of the Income Tax Act gives the board the power to make others hand over money on behalf of a taxpayer. This might be a bank, a debtor of the taxpayer or anyone else owing money to the taxpayer. Instead of collecting direct from the taxpayer you can collect from the other person.

7. Penalty Consideration

Under section 66 of the Revenue Administration Act, 2013(RAA) a tax short fall applies to a person who:-

- (a) makes a statement to a public that is false or misleading in a material particular;**
- (b) Omits from a statement to a public officer any matter or thing without which the statement is false or misleading in a material particular.**

The tax liability of the person or another person computed on the basis of the statement is less than would have been if the statement had not been false or misleading (the difference being referred to as a "tax short fall").

You made a statement to a public officer when you lodged a VAT return. The statement contained false or misleading information. The information provided has led to a tax shortfall of \$..... Section 66 (2) of the RAA stipulates a penalty of 75% of the tax shortfall should be applied if the statement or omission was made reckless or knowingly in any other case, a penalty of 20% of the short fall . This penalty is additional to late payment and late lodgement penalties.

8. For more information you can access on

Website:- www.mfed.gov.ki

Email:- tax@gov.ki

Address:- Ministry of Finance, P.O.Box 67,

Bairiki, Tarawa.

Phone No:- 21806 Ext to Tax Office.