Instructions for completing your tax return

(If the answer to your question is not written below, please phone the Tax Department on 72021806/73033777, or come in and see us at Bairiki in Tarawa or Ronton in Kiritimati.

Note: You must answer all questions, unless these instructions say that you can leave a question blank.

Question

1	**Year ended 31 December:** Insert the year for your tax return, as four digits.
2	**TIN** is your Tax Identification Number you received when you registered for tax. If you don't have a TIN or have lost or forgotten it, you can leave this question blank but you will need to do one of the following: a. If you have not registered for tax yet, please fill out **New business application for TIN & VAT registration**, available from our website www.mfed.gov.ki or from our offices at Bairiki and Ronton in **Kiritimati Is**. Attach the application to your tax return when you file it. b. If you have forgotten or lost your TIN, call us on **(72021806/73033777** or come and see us when you are filing your tax return.
6	**Business Name** means what you call your business. For example, 'Low Price Supermarket'. If you don't have a name for your business, leave this question blank.
7	**Physical Address** means where your business is located. If you don't have an actual address, you can give a short description, for example: 'Opposite Catholic Church in Ambo.'
11 to 13	A **Tax Agent** is an individual, partnership or company that is registered as a tax agent under Part X, Revenue Administration Act, 2013. A tax agent performs tax work for you, including completing and filing tax returns. However, it does not include an employee of yours who acts as a book-keeper or keeps your accounts. If you have a tax agent, enter their name (Question 11), email address (Question 12) and phone number (Question 13). Otherwise, leave these questions blank.
15	**Nature of Business:** Print what work you do. As examples: 'Supermarket owner', 'Restaurant owner', 'Fisherman', 'Car mechanic', 'Landlord' . If you have more than one work type, list them all.
16 to 18	**Bank Details:** Provide details of the bank account you use for your business or other income earning activities.
19	**Are you a Resident in Kiribati for Tax purposes?** Most individual taxpayers are resident in Kiribati for tax purposes. Under the Income Tax Act 2023 a resident in Kiribati for tax purposes includes: a. A person who has a permanent home available to them in Kiribati; b. A person physically present in Kiribati for a periods adding up to 183 days in any 12 month period beginning or ending in the tax year c. A person who is a citizen and consular, diplomatic or similar official of the Republic of Kiribati posted overseas. The gross income of a resident person includes income derived from all sources derived in and outside Kiribati The gross income of a non-resident person includes only Kiribati sources income
20	If you answered 'No' for Question 19, at Question 20 you must print the country other than Kiribati where you were resident for tax purposes. If you answered 'Yes' for Question 19, leave Question 20 blank.

21 to 30	**Income and Chargeable Income.** In answering questions 21 to 30, note the following: **Cash and Accrual Accounting** (a) If you account on a Cash basis: - Record revenue when the incoming payment is received - Record an expense when the outgoing payment is made. (b) Accrual basis: - Record revenue when you issue an invoice to your customer - Record expense when you receive an invoice to pay. (c) Employees and employers must account for employment income paid by the employer and recieved by the employee on a cash basis. For all other income an individual registered for VAT must account for income tax on an accruals basis. If you are not registered for VAT you may account for income tax on a cash or accruals basis, but you must use the same basis for determining both derivation of income and incurring of outgoings. (d) If as a result of a change in your circumstances your method of accouting for income tax chages,you must notify the Commissioner in writing of the change within 15 days of the change occuring. In all other cases, you must apply to the Commissioner in the approved form for a change to your method of accounting. (e) If your method of accounting changes in the circumstances above, you must make adjustments to all income, deductions and credits to ensure that no item is omitted and no item is taken into account more than once. (f) If a taxpayer is carrying on a small business in Kiribati, that is not registered for VAT and does not have an annual gross turnover in excess of the VAT registration threshold, the income, outgoings, expenses and losses of the business are accounted for on a cash basis.
23	**Were you entitled to a share of trust or partnership income?** If you were a partner in a partnership you must include your share of the net income of the partnership. If your share of the income was subject to non-resident tax, or international transportation tax you are entitled to a credit for your share of those taxes paid in relation to the income. If you were a non-resident partner you must include your share of the net income of the partnership that is atttributable to Kiribati source income, other than income subject to non-resident tax or international transportation tax. If you were a beneficiary of a trust you must include your share of the net income of the trust to which you are presently entitled. If your share of the income was subject to non-resident tax, or international transportation tax you are entitled to a credit for your share of those taxes paid in relation to the income. If you were a non-resident beneficiary you must include your share of the net income of the trust to which you are presently entitled that is atttributable to Kiribati source income.
25	**Did you receive any income from Overseas?** Note 1: Income from employment in a country other than Kiribati by a resident is exempt from income tax if that income is taxed in another country. You cannot claim a credit for overseas tax paid on this income. Do not complete any Boxes for this income or for any tax paid on the income. Otherwise, continue reading Instructions for Boxes 25A, 25C and Boxes 25B, 25D. Note 2. Income derived by a diplomatic, consular or similar official representing the Republic who is a citizen of Kiribati is not exempt. Credit for overseas tax paid on this income may be available. Note 3. Where the income received or the tax paid is in a currency other than the Australian dollar, the amounts shall be converted at the exchange rate applying between the currency and the Australian dollar on the date that the amount is taken into account for tax purposes. However, with the prior permission in writing of the Board, a taxpayer may use a different conversion rate. Where a taxpayer changes the method of accounting for foreign currency, the taxpayer shall make such adjustments to income and deductions of the current and past tax years as the Board considers reasonable.

25A, 25C	Credit for Overseas Tax Paid is calculated separately for Business and Property Income. Property income includes amounts from overseas such as rental income, dividends, interest and compensation if they are not received as part of a business. Print in Box 25A any Overseas Tax Paid on the Overseas Business Income shown at Box 25B. Print in Box 25C any Overseas Tax Paid on the Overseas Property Income shown at Box 25D. This includes income derived by a diplomatic, consular or similar official representing the Republic who is a citizen of Kiribati. The Kiribati Tax Department will calculate any Foreign Tax Credit that you are entitled to. If you wish, you can calculate it yourself at Question 34.
25B, 25D	a. If a net loss is incurred for current year Overseas Business Income or current year Overseas Property Income, show $0.00 at Box 25B or Box 25D as applicable. Any net loss must be carried forward to future years. b. In calculating Overseas Business Income after Losses Brought Forward (Box 25B) and Overseas Property Income after Losses Brought Forward (Box 25D), if the current year amounts are positive, losses brought forward from the previous 3 years may be claimed. Business losses can only be deducted from Business Income, and the net amount should be printed at Box 25B. Property losses can only be deducted from Property Income, and the net amount should c. If losses are claimed, attach a schedule showing, as applicable: - current year Overseas Business Income and the Overseas Business Losses claimed (showing the years and amounts claimed), to calculate the amount shown at Box 25B. - current year Overseas Property Income and the Overseas Property Losses claimed (showing the years and amounts claimed), to calculate the amount shown at Box 25D.

26 to 27	**Did you receive any income from business and / or property activities?** If you have run a business during the tax year, or earnt rent, interest, or other income from property, you must record your income and expenses here. Do not attach your financial statements.
26A	**Total Property Income**. This is the total amount of income you received in the tax year from rent, interest, royalties, dividends, pensions or annuities and any other income from property. **Rent** is an amount you receive for the lease or licence or easement over real property, and includes a premium, fine or similar amount. It includes any improvement made to the land by the lessee under the lease that remains with the land at the end of the lease. **Interest** is an amount that you receive as consideration for the use of money or being given time to pay. Do not include the first $250 of interest that you derived on savings in a bank in Kiribati (unless you are an unmarried minor). Interest includes amounts that are equivalent to interest such as notional interest under derivative instruments or hedging agreements relating to borrowing, swap paymnets, profits on disposal or surrender of a financial instrument, and payments of defaulted interest by a guarantor. Include the interest component of any financial lease. **Royalty** is an amount that you receive as consideration for the use of, or the right to use copyright, trademarks, patents, software, and other intellectual property rights set out in the definition of royalty in the Income Tax Act 2023. **Dividend** is a distribution of profits by a company to a member, and includes an amounts returned by a company to a member that exceed the nominal value of their membership interest. Any loan, payments, provision of assets or services or release of debts by a company in favour of a member or associate of a member is a dividend, to the extent that it is, in substance, a distribution of profits. A company includes a body corporate, statutory corporation or unincorpated body or association of persons. **Pensions or annuities** - include an annuity or similar periodical payment purchased by a taxpayer, reduced by the purchase price apportioned equally over the period of the annuity. Include as property interest any attributed income from a tax haven entity. If any property income was earned through carrying on a business, do not include that income at Box 26B, include these amounts as "Other Business Income" in Box 26H instead.
26B	**Business Sales Income**: This is the total amount of income you received in the tax year for selling goods and charging fees before deducting any expenses.
26C to 26F	**Cost of Goods Sold.** If you earned income from a business and had inventory or trading stock, you must complete these questions. Your inventory is anything produced, manufactured, purchased or otherwise acquired during the year for the purposes of manufacture, production or sale in the ordinary course of your business. It includes raw materials used in manufacture or production,and livestock of a business of maintaining animals for the purpose of sale or sale of their produce. If you did not have trading stock or inventory, leave these boxes blank and copy the amount at Box 26B to Box 26G.
	Note 1: If you are carrying on a small business in Kiribati, that is not registered for VAT and does not have an annual gross turnover in excess of the VAT registration threshold, you do not have to calculate opening stock and closing stock. Print the cost of trading stock acquired during the year in Box 26F. Leave Box 26C, 26D and 26E blank.
26C	**Opening Value of Inventory** Print the value of your inventory/ trading stock as at the beginning of the tax year. Your opening value is equal to the closing value from the previous tax year. If you commenced business during the year, your opening value is the cost of inventory acquired by you prior to the commencement of the business.

26D	**Purchases.** This is the cost of the inventory you acquired during the year. If you account for income tax on a cash basis, you calculate the cost of inventory under either the direct-cost or absorption-cost method. If you account for income tax on a acrruals basis, you calculate the cost of inventory under the absorption-cost method. If particular items of inventory are not readily identifiable, you may account for that inventory under the first-in-first-out or weighted average method. Prime-costs include the cost of services that can be directly attributed to goods sold. As examples, if you imported bags of rice for resale, the purchase price plus import duties and related charges are part of prime-costs. If you paid freight on the bags of rice, this is the cost of a service that can be directly attributed to goods sold, so it is a part of prime-costs. If you imported timber (goods) or employed labour (services) directly, to build a boat that you are selling in the ordinary course of your business, then these are part of prime-costs. If you are paying rent for a factory, this is not a prime-cost. However, under the absorption-cost method, factory rent is part of manufacturing overhead and is included as Purchases. Rent for an office is not directly a cost of the goods you are selling, nor is part of manufacturing overhead. Therefore it is not part of prime-costs or absorption costs, so it is not part of Purchases. Instead, office rent is a Business Expense and would be claimed at Rent and Rates (Box 27L).

26E	**Closing Value.** Print the value of your trading stock as at 31 December, the end of the tax year. This includes the value of any work in progress for goods you were manufacturing with the intention of sale in the ordinary course of your business. As examples, if as at 31 December you were building a house or a boat with the intention of selling them in the ordinary course of your business, include the value of the work in progress. The closing value of your inventory is the lower of cost or fair market value of the inventory on hand at the end of the year. The fair market value of an asset at a particular point in time is the amount that the asset would fetch in an open market transaction freely made at that time between persons dealing with each other at arm's length.
26F	To calculate **Cost of Goods Sold,** add Opening Value (Box 26C) and the Purchases (Box 26D). Then deduct the Closing Value (Box 26E). Print the answer at Box 26F.
26G	**Business Profit:** This is calculated by deducting the Cost of Goods Sold (Box 26F), where applicable, from Business Sales Income (Box 26B). It is the gross amount of income earnt from your sales, services and rental activities, after deducting the direct costs of those goods that were sold (where applicable), but before you deduct your expenses.
26H	**Other Business Income:** Include here any income made by the business that has not been included at Box 26B. This includes: a) income from investing the capital of the business, including dividends, royalties, rents and interest. Interest includes the interest component of any financial lease and discounts or premiums however described, given for the use of money or being given time to pay. b) any subsidy or grant in relation to carrying on the business c) interest arising from the maturity or disposal of a financial instrument d) damages or compensation payments under any insurance policy against loss of profit e) recovery of an amount previously deducted as a bad debt or other loss f) any exchange gain made as part of a business g) any of your business debts released or waived by a creditor, regardless of whether the liability was on revenue or capital account. h) any profit made on the disposal of an asset used by the business, other than trading stock (such as the sale of a car or the sale of machinery), regardless of whether the asset is on capital or revenue account. i) for any construction or engineering contract that will take longer than 12 months to complete, the percentage of estimated total chargable income for the current year, determined in accordance with the percentage of completion method under financial reporting standards. Attach a schedule showing for each income item the name of the payer, the amount and a description of the income item.
26I	**Total Business Income**: This is the total of Business Profit (Box 26G) and Other Business Income (Box 26H).
26J	**Gross Income**: This is the total of Total Property Income (Box 26A) and Total Business Income (Box 26I).
27	**Expenses**: For income earnt from a business, these questions refer to administrative and other expenses that cannot be

	directly attributed to inventory. Expenses that can be directly attributed to inventory must be included at Box 26C Purchases. For Property Income, these questions refer to the expenses you incur in earning rent, dividends, interest, royalites or through the provision, use or other exploitation of property. The expenses claimed in Boxes 27A to 27K must relate solely to the business or property income. If the expenses also relate to private or personal activities, only the portion that relates to business or property income can be claimed. For example, for rental expenses, if you rent out part of your house and you or your family live in the other part of the house, only the portion that relates to the part that is rented out can be claimed. Expenses cannot be claimed for capital expenditure, although depreciation may be claimed (see Box 27D).
27B	**Bad Debts:** You can claim a deduction for a bad debt only where**:** a) either the amount of the debt recievable was previously included in your gross income, or you lent the money in the course of course or carrying on a business of money lending; and b) the debt is written off as bad in your financial accounts for the year in accordance with financial accounting standards; and c) if the debtor is still in existence, you have taken reasonable steps to collect the debt but the debt is still irrecoverable. The amount of the deduction must not exceed the amount of the debt written off in your financial accounts.
27C	**Communications**: This includes expenses for telephone, fax, post and internet.

27D

Depreciation: You can claim a deduction for the amount by which depreciable assets and business intangibles have declined in value during the year using the rates set out below. The total deductions in respect of the depreciable asset or business intangible for the current and all previous tax years must not exceed the cost of the asset or intangible. If the written down value of the asset at the end of the tax year is less than $300, the undepreciated amount of the written down value is added to the depreciation deduction in that year and the asset is treated as fully depreciated.

Depreciable assets include:

a) tangible personal property used in a business wholly or partly to derive gross income, that has an ascertainable useful life exceeding one year, and is likely to lose value as a result of normal wear and tear;

b) an industrial building.

Depreciation Rates:

Asset Type	**Amount of Depreciation Deduction**
Industrial Building	5% of Cost
Motors Vehicles	20% of Written Down Value
Furniture and Fittings	25% of Written Down Value
Ships	10% of Cost
Tanks other than mobile tanks, of not less than 1000 litres for storage of petroleum products.	3% of Cost
Plant, machinery, equipment, computers, printers, software and other depreciable assets.	25% of Written Down Value

Business Intangibles include copyrights, patents, trademarks, preliminary expenditure and contractual rights with a limited term exceeding one year used wholly or partly to derive gross income.

Business Intangible Type	**Amount of Depreciation Deduction**
Preliminary Expenditure	25% of the amount of the expenditure
Business intangible with a useful life of more than 10	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

Note 1: Small Business Taxpayers If a taxpayer is carrying on a small business in Kiribati, that is not registered for VAT and does not have an annual gross turnover in excess of the VAT registration threshold, the rate of depreciation for depreciable assets and business intangibles is 100%.

Note 2: You cannot claim depreciation for a residential building. This means that if you are renting out a house or another form of residence, the building itself cannot be depreciated.

Here is an example table of how to calculate Depreciation:

Do not attach your Depreciation details to your return, but keep them for your tax records.

Capital Asset	**Original Cost**	**Opening Written Down Value**	**Tax Depreciation Rate**	**Depreciation Deduction for this tax year**	**Closing Value after Depreciation**
Industrial Building	$100,000.00	$70,000.00	5% of Cost	$5,000.00	$65,000.00
Motor Vehicle	$20,000.00	$16,000.00	20% of Written Down Value	$3,200.00	$12,800.00
Office Furniture	$10,000.00	$7,500.00	25% of Written Down Value	$1,875.00	$5,625.00

Total Depreciation claimed this year	**$10,075.00**	**This amount would be printed at Box 26L**

27H	**Fuel:** This includes all types of fuel (but not electricity provided by the Public Utilities Board or another electricity authority) for all purposes, including to power motor vehicles, boats, aircraft, generators and other machinery, and for cooking and for providing light. Show Electricity at Question 27K.
27J	**Office Supplies:** This includes items such as paper, pens, other stationery, ink for printers, and ink for photocopiers. Items such as office furniture, computers, printers, cash registers and photocopiers are capital assets and so must be depreciated. See Question 27D.
27K	**Electricity:** This is electricity provided by the Public Utilities Board or another electricity authority. Items such as solar energy equipment and generators are capital assets and so must be depreciated. See Question 27D.
27M	**Repairs and Improvements:** You can deduct expenditure for a repair or improvement made to a depreciable asset during the tax year. The amount of the deduction is limited to 20% of the written down value of the asset at the end of the tax year and the amount of any excess is added to the written down value of the asset at the end of the tax year.
27O	**Charitable donations:** if you make a donation to a non-profit organisation for an amount of $200 or more during the year you can claim a deduction at Box 27O. If you donate property, other than money, you must have acquired the property in the 12 months prior to the donation. The amount of the donation will be the lesser of your cost of acquiring the property or the fair market value of the property. (For an explanation of Fair Market Valuse see the instruction for 26E) The deduction for charitable donations is limited to 10% of your total gross income for the year, and cannot be used to reduce your employment income.
27?	**Entertainment Expenses:** entertainment expenses incurred in carrying on a business are limited to 50% of the amount of the expenses incurred, unless they are included in the employment income of an employee or are exempt income of the employee. Entertainment means the provision of food, drink or recreation.
27?	**Scientific research expenditure:** You can claim a deduction for 100% of the expenditure you incur to undertake scientific research for the purcposes of developing your business, including payments to a scientific research institutions for that purpose. Scientific research is experimental activity the outcome of which cannot be determined in advanceon the basis of current knowledge by can be determined only by undertaking a systematic process of research based on the principles of established science. You cannot claim expenditure incurred for acquiring a depreciable asset or business intangible unless it is specialist research equipment that can only be used for scientific research. You cannot claim expenditure incurred for the acquisition of real property or for the purpose of ascertaining the existance, location, extent or quality of a natural deposit.
27?	**Tax Agent fees:** if you use a registered tax agent, you can claim a deduction for fees to prepare tax returns, objections to tax assessments, or the transacting on your behalf with the Commissioner on any other business under the tax laws.
27Q	**Other Expenses:** These are expenses that you have not already included as part of Purchases (Box 26D) or in any of the Boxes at question 27. Include at 27Q your share of any partnership loss. You must attach a schedule setting out the type and amount for each expense.
28	**Losses Brought Forward.** If you have had any net losses in the previous 3 years, you may be able to claim them up to the value of any Net Profit for the Current Year that you have shown at Box 27S. Print in Box 28A the amount of Net

	Property Losses you are carrying forward, and print in Box 28B, the amount of Net Property Losses you are claiming this year. Note that the amount of Net Property Losses claimed cannot exceed the Total Property Income shown at Box 26A. Print in Box 28C the amount of Net Business Losses you are carrying forward, and print in Box 28D, the amount of Net Business Losses you are claiming this year. Note that the amount of Net Business Losses claimed cannot exceed the Total Business Income shown at Box 26I. Add Box 28B and Box 28D and print your answer in Box 28E. You must attach a schedule showing the years, the amounts of losses, and the basis of calculating the losses (including apportionment of deductions against Property and Business Income). The amount of losses brought forward and now claimed in Box 28E cannot be greater than any Net Profit for the Current Year you printed at Box 27S. Also, if you made a Net Loss for the Current Year (Box 27S has a minus sign), you cannot claim losses brought forward from the previous 3 years. You must add this to your schedule of losses, showing the breakdown and caculation of Net Property Losses and Net Business Losses.
29	**Net Profit after Losses Brought Forward**: Deduct the Losses Brought Forward that are now claimed (Box 28E), (if completed), from Net Profit for the Current Year (Box 27S). Print the answer in Box 29. This is the amount of your Net Profit for the Current Year, after you have deducted any available losses from the previous 3 years. If you are not claiming any losses brought forward (so Box 28E is blank), then copy the amount at Box 27S to Box 29.

30	**Did you receive any other income?** Only complete this question if there is income you have not already included elsewhere in this tax return. Any business income or property income should be included at Boxes 26A or 26H. See the instructions for those Boxes. Include in Box 30: any employment income from which tax was not deducted or withheld. For resident taxpayers this includes any foreign employment income. **Attach a schedule showing for each income item the name of the payer, the amount and a description of the income item.** **Some amounts are exempt from tax, and these should NOT be written at Box 29. These include:** a) allowances and benefits provided to an employee in the public service provided for in regulations; b) a travelling or subsistence allowance paid to a person not in the public service, provided the amount is reasonable having regard to the circumstances; c) income of an individual, company, organisation or other entity as may be specified by notice issued by the Minister, acting in accordance with the advice of Cabinet, covering such period and to such extent as shall be specified in such notice d) income of an individual, company, organisation or other entity that, by virtue of a written agreement between the individual, company, organisation or other entity (as the case may be) and the Government of Kiribati, is to be exempt from income tax and is approved by the Minister, acting in accordance with the advice of Cabinet e) property income (other than interest income), that is foreign income of overseas technical personnel resident in Kiribati for the first 5 years of residence; or more than one period of residence but not exceeding 5 years in total f) official employment income of an officer or employee (other than a citizen of Kiribati) of an international organisation declared by the Miniter by order under Law in force in Kiribati to be an organisation exempt from income tax. However the income is only exempt to the extent that the funds to pay the employment income have been remitted outside Kiribat. g) official employment income and foreign income derived by a representative in Kiribati of a foreign government. h) foreign income derived by family or household members of representatives of foreign governments, to the extend provided by the Diplomatic Privileges and Immunities Act 1983 and the Consular Privileges and Immunities Act 1983. i) the offcial employment income of a foreign public servant where the person is resident solely for the purposes of official employment, the employment income is payable from the funds of the foreign country and is subject to tax in the foreign country. j) the employment income payable by a non-resident person in respect of duities peformed in Kiribati under a technical assistance agreement by a non-resident individual or an individual who is resident solely for the purpose of performing duties but only to the extent provided for under the agreement. The Technical Assistance Agreement must be given to the Commissioner as soon as it is entered into. j) a scholarship payable to an individual for the purpose of full-time instruction at an approved university, college, school or other place of education. k) the first $250 of interest income derived by an individual (other than an unmarried minor) on savings in a bank in Kiribati l) alimony and child support payments m) minor benefits provided by an employer to an employee, such as meals in a canteen or cafeteria operated by the employer solely for the benefit of all employees and reimbursement by the employer of employees' medical insurance premiums.

	n) the income of a non-resident person operating a ship or aircraft in international traffic, if an equivalent exemption from income tax is granted by the country in which they are resident. **If unsure if an amount is subject to tax or is exempt, check the website at www.mfed.gov.ki, phone 72021806/73033777, or visit the Kiribati Tax Division at Bairiki or Ronton in Kiritimati.**
31	**Chargeable Income**: This is your total income minus allowable deductions for the tax year. It will be used to calculate your tax payable.
32	**Declaration**: You must sign and date the declaration, otherwise your return will not be accepted. Note that where a tax agent prepares the return for you, you are still required to sign and date the declaration, saying that the information you have provided in the return is true and correct.
33	**WHAT TO DO NEXT:** Attach all required schedules and other documents, and tick the applicable Boxes. If required schedules and other documents are not attached, this may delay the processing your return and lead to audit action. If you are claiming a refund, this may be delayed or disallowed.

	Tax Calculation and Provisional Tax. These questions are voluntary. The Kiribati Tax Department will calculate your Tax Payable or Refund due, and any Provisional Tax Payable. These questions are provided here if you wish to calculate these yourself. Note that the Kiribati Tax Department will check your calculations.
34	**Tax Calculation for a resident (other than chargeable property income of an unmarried minor):** If the amount in **Box 31 is $5,000.00 or less,** your **Tax Payable is NIL**, so **print $0.00 in Box 34.** However, if the amount in **Box 31 is more than $5,000.00**, the tax rates are: **- more than $5,000.00, but not more than $15,000.00: 20% on that portion above $5,000.00**. Use **Table A** and print your calculation in **Box 34.** **- more than $15,000.00, but not more than $30,000.00: $2,000.00 plus 25% on that portion above $15,000.00.** Use **Table B** and print your calculation in **Box 34.** **- more than $30,000.00: $5,750.00 plus 30% on that portion above $30,000.00.** Use **Table C** and print your calculation in **Box 334** **For chargeable property income of a resident unmarried minor:** tax at the maximum tax rate applied to the chargeable income of resident individuals under Schedule 1, Income Tax Act (30%).
35	**Foreign Tax Credit:** If you have received income from overseas and paid overseas tax on it, this may reduce your Tax Payable in Kiribati. Read the instructions for Questions 25 to 25D also. Note the following: a. The foreign tax credit shall not exceed the Kiribati income tax on the foreign income. b. For a taxpayer other than a company, the calculation of a foreign tax credit shall be made separately for business income and for other income. c. The Kiribati income tax on any foreign income shall be calculated by applying the average rate of Kiribati income tax to any income derived from a foreign source, reduced by any deduction allocated to that income. To calculate the foreign tax credit, follow these steps: **Step 1): Calculate the average rate of Kiribati income tax.** This is the percentage that the Kiribati income tax, before the foreign tax credit, is of Chargeable Income. To calculate this, divide the Total Tax Payable (the amount at Box 34) by the Chargeable Income (the amount at Box 31), and multiply by 100. For example, if the amount at Box 34 is $2,000.00, and the amount at Box 31 is $15,000.00, then $2,000.00 divided by $15,000.00 is 0.1333. Multiply this by 100, to give 13.33%. This is the average rate of Kiribati income tax. **Go to Step 2.** **Step 2): If you have written an amount at Box 25B, do Step 2. If not, go to Step 4.** For Step 2, calculate the Kiribati income tax on the foreign business income. This will be the amount at Box 25B (Overseas Business Income after Losses Brought Forward) multiplied by the average rate of Kiribati income tax calculated at Step 1. For example, if the amount at Box 25B is $1,000.00, and the average rate of Kiribati income tax calculated at Step 1 is 13.33%, then the Kiribati income tax on foreign business income is $1,000.00 multiplied by 13.33%, equalling $133.30. **Go to Step 3.** **Step 3): Calculate the foreign tax credit for overseas business income.** For example, if the amount written at Box 25A (Overseas Tax Paid on Business Income) was $140.00, as this amount is greater than the Kiribati income tax of $133.30, only $133.30 foreign tax credit can be claimed. If the amount written at Box 25A (Overseas Tax Paid on Business Income) was $120.00, as this amount is less than the Kiribati income tax of $133.30, a foreign tax credit of the full amount of foreign tax paid ($120.00) can be claimed. **Go to Step 4.** **Step 4): If you have written an amount at Box 25D, do Step 4. If not, go to Step 6.** For Step 4, calculate the Kiribati income tax on the foreign property income. This will be the amount at Box 25D (Overseas Other Income after Losses Brought Forward) multiplied by the average rate of Kiribati income tax calculated at Step 1. For example, if the amount at Box 25D is $500.00, and the average rate of Kiribati income tax calculated at Step 1 is 13.33%, then the Kiribati income tax on foreign other income is $500.00 multiplied by 13.33%, equalling $66.65. **Go to Step 5.**

Step 5): **Calculate the foreign tax credit for overseas property income.** For example, if the amount written at Box 25C (Overseas Tax Paid on Property Income) was $70.00, as this amount is greater than the Kiribati income tax of $66.65, only $66.65 foreign tax credit can be claimed. If the amount written at Box 25C (Overseas Tax Paid on Property Income) was $60.00, as this amount is less than the Kiribati income tax of $66.65, a foreign tax credit of the full amount of foreign tax paid ($60.00) can be claimed. **Go to Step 6.**

Step 6): Add together the amounts that can be claimed in Step 3 and Step 5. The total is the Foreign Tax Credit. **Print the total in Box 36**

37	**Credits for Tax Deducted:** These reduce Tax Payable. If you have Credits for Tax Deducted, make sure you have answered Question 24 (page 2 of this tax return). Copy the amount in Box 24 (page 2) to Box 37 (Page 5).
39	**Provisional Tax Paid for This Year.** Print in Box 39 the Provisional Tax you have paid for this year, as it will reduce the Net Tax Payable for this year. See instructions for Question 40 also.
40 to 40B	**Refund or Tax to Pay:** This question takes into account your Net Tax Payable for This Year (Box 38) and compares it to the Provisional Tax Paid for This Year (Box 39): - **If the amount at Box 38 is $0.00 or a negative amount**, this means that you are entitled to a refund of the negative amount. If you have also paid Provisional Tax for This Year (Box 39), that amount will also be refunded. Add the amount at Box 38 (ignoring the negative sign) to the amount at Box 39. Print your answer at Box 40A. At Box 40B, tick **Refund**. The amount at Box 40A is the total amount refundable to you. - **If the amount at Box 38 is a positive amount and larger than the amount at Box 39**, this means that the difference between the two amounts is Tax to Pay. The Provisional Tax Paid for This Year (Box 39 was not enough to cover the Net Tax Payable for This Year (Box 38). Deduct the amount at Box 39 from the amount at Box 38. Print your answer at Box 40A. At Box 40B, tick **Tax to Pay.** The amount at Box 40A is the remaining Tax to Pay for this year. - **If the amount at Box 38 is a positive amount and smaller than the amount at Box 39,** this means the Tax Payable for this year is less than the Provisional Tax Paid for This Year. The difference is refundable to you. Deduct the amount at Box 38 from the amount at Box 39. Print your answer at Box 40A. At Box 40B, tick **Refund.** The amount at Box 40A is refundable to you.
41 to 41G	**Refunds and/or Transfers.** If you ticked Box 40B for a Refund, there are 3 options: **Option 1):** Apply some or all of the refund to **paying Provisional Tax for next year**. If you choose this option, at Box 41A print the year following the year of this current return. Then in Box 41B print the amount that you are applying to your Provisional Tax. **Option 2):** Apply some or all of the refund to **paying another tax type or another tax period**. For example, the refund could be used to pay VAT. If you choose this option, in Box 41C print the amount you are applying to this payment. In Box 41D print the tax type and in Box 41E print the period. **Option 3):** Apply some or all of the **refund to take as cash, cheque, Telmo or to be paid to your bank account** recorded on page 1 at Boxes 16, 17 and 18. If you choose this option, at Box 41F print the amount you want to be paid to you and tick the appropriate box to indicate how you want the refund to be paid. Add Boxes 41B, 41C, and 41F, and print the total at Box 41G. The total at Box 41G must equal the amount at Box 40A.
412to 42M	**Provisional Tax 31 December:** Provisional tax is payable where a taxpayer derives income which is not subject to withholding of tax. These questions determine whether you have a provisional tax liability for next year.
42A	Provisional tax is paid for next year. In Box 42A print the year following the year of this current return.
42D	**Is the amount in Box 38 a positive amount?** Place a Tick in either the **No** or **Yes** Box: - **If you ticked the No Box (the amount in Box 38 is negative),** you do not have a Provisional Tax Liability. You have now finished questions about Provisional Tax. Leave Boxes 42E to 42M blank. - **If you ticked the Yes Box (the amount in Box 38 is positive)**, go to **Calculation of Provisional Tax** (Boxes 42E to 42J).
42E to 42J	**Calculation of Provisional Tax:** Provisional tax is calculated by applying the average rate of tax of the taxpayer to the chargeable income in the most recent assessment received by the taxpayer which was not subject to withholding of tax. Complete Boxes 42E to 42J to work out Total Provisional Tax Payable (Box 42J).
42K to 42M	**Provisional Tax Instalments:** Provisional Tax is paid in three instalments, due 30 June, 30 September and 31 December in the year following the current year. Each instalment is 27.5% of the amount shown in Box 42J. Work out 27.5% of the amount in Box 42J, and print it in each of Boxes 42K, 42L and 42M. **Example:** if the amount in Box 42J is $10,000.00, then 27.5% of $10,000.00 is $2,750.00. This means that each

	instalment will be $2,750.00. Therefore, for this example, you would print in Box 42K $2,750.00, in Box 42L $2,750.00, and in Box 42M $2,750.00.