

RATES OF INCOME TAX

1. INCOME TAX

1.1 Individuals

- ⇒ First \$10,000 tax free
- ⇒ \$10,001 to \$30,000- 10%
- ⇒ \$30,001 to \$60,000– 20%
- ⇒ \$60,001– over - 25%

1.2 Small Business Individuals

* based on Gross Annual Turnover

- Turnover \$0-\$10,000 tax = lump sum \$100;
- Turnover \$10,001 - \$30,000 tax = \$250;
- Turnover \$30,001- \$50,000 tax = \$500;
- Turnover \$50,001- \$100,000 tax @ 2% of turnover.

1.3 Companies

(including Partnerships & Trusts) = 25%

2. Consumption Tax = 15%

3. Non Resident withholding Tax -

- Generally = 15%
- Except for rental income=7.5%
- Insurance premiums = 5%
- Independent services=10%

FORMS TO COMPLETE

TIN APPLICATIONS

- Form 3A - Individual/Employee
- Form 3B - Individual/Sole Trader
- Form 4 - Company/Non-individual

CONSUMPTION TAX

- Form 1 - Application for Registration
- Form 2 - Application to cancel registration
- Form 3 - CT Registration Certificate
- S. 24 & Reg. 9 - Refund forms

PAYE WITHHOLDING TAX (WHT)

- Form 3 - Employee Declaration
- Form 4 - Annual WHT Certificate
- Form 7 - Monthly WHT Return/PAYE
- Form 8 - Annual Tax WHT Return
- Form 9 - Application for Refund

INCOME TAX

- Form 10 - Individual/Sole Trader
- Form 11 - Company/Non-individual
- Form 12 - Small Business Tax (SBT)

OTHER WITHHOLDING TAX

- Form 1 - Non-resident WHT (Shipping)
- Form 2 - Non-resident WHT (Aircraft)
- Form 5 - Resident WHT (Interest, Land, Rent, etc)
- Form 6 - WHT certificate for payments of Tongan Sourced income to no-residents

TAX CLEARANCE APPLICATIONS

- Form 11 - Sending Money Overseas
- Form 12 - Employment/Work Visa
- Form 13 - Business/Liquor Licence or Government Procurement
- Form 14 - TDB Managed Fund Loans
- Form 15 - Ministry of Infrastructure Licence
- Form 16 - Sandalwood Export Licence

RECORD KEEPING

Complete returns more easily. Keeping your records up to date makes it easier to file your Consumption Tax (CT) and Income Tax (IT) returns and if you are an employer meet your employer obligations. It also helps you avoid obligations.

Records you should keep if you:

- Employ Staff
 - Salary & Wage Book for all PAYE system
 - Employment Agreements inventories
- Use a cashier register
- Till Tapes & Reconciliations
- Day Books
- Register for CT
 - Tax Invoices
 - Other Invoices

- Offer fringe benefits
 - Full Records of any Benefits
- Keep Stock
 - Stock Records manual - stock cards, regular computer system-record all movements
 - Regular Stock-Take Forms
- Use accounting software
 - Regular back-ups off-site
 - Software manuals
- Use a home office
 - Records relating to home costs Insurance, rates, power, phone.

CUSTOMS

Average rate of duty 15%, goods for agriculture, fishing duty free, other concessions include for imported for charity, donor funded goods, goods for His Majesty, goods for electricity generation, live animals and meat.

EXCISE TAX

This applies to fuel, vehicles, tobacco products, liquor, lard & soft drinks. For fuel there is a fixed rate of 50c per litre, for vehicles this depends on the cylinder capacity of the vehicle if between 1000-1500cc it is 50c per cc; For tobacco its \$250 per 1000 sticks on imported cigs and \$238 per 1000 sticks on domestically manufactured cigs, for liquor this is based in the alcohol per litre and is \$50 per lal for beer and \$42 per lal for liquor, locally produced liquor is \$21 per lal and beer is \$10 per lal. Lard is \$1 per kg and soft drinks is \$1 per litre. Exemptions similar with duty and CT exemptions.

Free advice and support for you:

We provide a variety of activities in the community to assist you:

- Free tax seminars and workshops
- We can visit you to provide advice and support

For more information please contact us on ph# 23444 and ask for Sesi Tangulu or Mele Lokotui.

MINISTRY OF REVENUE & CUSTOMS - TAX CALENDAR YOUR FINANCIAL YEAR

JAN 28 th	PAYE for month of Dec Form 7 return and payment due, Consumption Tax (CT) Dec return and payment due, Non-Resident withholding tax Form 6 and payments due, Non-Resident shipping and aircraft Forms 1 and 2 Dec returns and payments, Income tax return Form 11 and payment for End of Sept year lodgers due, Small Business Tax 2nd Quarter Return and Payment Due
FEB 28 th	PAYE for month of Jan Form 7 return and payment due, Consumption Tax (CT) Jan return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Jan returns and payments
MAR 28 th	PAYE for month of Feb Form 7 return and payment due, Consumption Tax (CT) Feb return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Feb returns and payments
APR 28 th	PAYE for month of Mar Form 7 return and payment due, Consumption Tax (CT) Mar return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Mar returns and payments, Small Business Tax 3rd Quarter Return and Payment Due
APR 30 th	Income Tax return Form 11 and payment for End of Dec years lodge due
MAY 28 th	PAYE for month of Apr Form 7 return and payment due, Consumption Tax (CT) Apr return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Apr returns and payments
JUN 28 th	PAYE for month of May Form 7 return and payment due, Consumption Tax (CT) May return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 May returns and payments
JUL 14 th	Employees should give employees Form 4s by this date,
JUL 28 th	PAYE for month of June Form 7 return and payment due Consumption Tax (CT) June return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 June returns and payments, Income Tax return Form 11 and payment for End of March year lodgers Due, Small Business Tax 4th Quarter Returns and payments due
AUG 28 th	PAYE for month of July Form 7 return and payment due, Consumption Tax (CT) July return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 July returns and payments
AUG 31 st	Annual PAYE reconciliation Form 8 return and Form 4 employee statements due
SEPT 28 th	PAYE for month of Aug Form 7 return and payment due, Consumption Tax (CT) Aug return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Aug returns and payments
OCT 28 th	PAYE for month of Sept Form 7 return and payment due, Consumption Tax (CT) Sept return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Sept returns and payments Small Business Tax 1st Quarter Return and Payment Due
OCT 31 st	Income Tax returns Form 10 and payment for Sole Traders individuals, Income Tax Return Form 11 and Payment for End of June year lodgers due, Refund/Pay Form 9 Individuals due and payment (if any), Small Business Tax Annual Return
NOV 28 th	PAYE for month of Oct Form 7 return and payment due, Consumption Tax (CT) Oct return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Oct returns and payments
DEC 28 th	PAYE for month of Nov Form 7 return and payment due, Consumption Tax (CT) Nov return and payment due, Non-Resident withholding tax Form 6 and payments, Non-Resident shipping and aircraft Forms 1 and 2 Nov returns and payments

Due Date is extended/changed if it falls on Saturday, Sunday or Public Holiday,

The due date is the next working day.

If you have difficulty lodging or paying
By the due date. Call the Tax Office on
23444 as soon as possible to discuss

Options

You can call the Tax Office on 23444
For assistance about your business tax
Obligations and for advice

The Tax Office has a lot of helpful
business information on its website
at www.revenue.gov.to

If you have made an error on a form
that you have already sent to us, phone
us on 23444. We may be able to reduce
Or waive penalties that would normally
apply