



GOVERNMENT OF KIRIBATI
KIRIBATI TAX DIVISION

P.O. Box 67, Bairiki, Tarawa, Republic of Kiribati,
Telephone: (686) 740 21806 Switchboard, 720 21806 Direct Line, 730-33777 Mobile, Email: tax@mfep.gov.ki

Individual Income Tax Return

Income Tax Act 2023, Revenue Administration Act 2013

**See pages 9 to 17 for Instructions
for completing this Return.**

		Y	E	A	R	
1	Year ended 31 December	1				
2	TIN:	2				
3	First Name	3				
4	Middle Names	4				
5	Last Name	5				
6	Business Name (If different from Taxpayer's name)	6				
7	Physical Address	7				
8	Postal Address (If different from above)	8				
9	E-mail Address	9				
10	Phone Number	10				
11	Tax Agent Name:	11				
12	E-mail Address of Tax Agent	12				
13	Phone Number of Tax Agent	13				
14	Your Date of Birth	14				
15	Nature of Business	15				
16	Bank Details: Name of Bank	16				
17	Address of Bank	17				
18	Account Number	18				
19	Are you Resident in Kiribati for Tax purposes?	19	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
20	If No, where are you resident for tax purposes?	20				

Income

21 **Did you receive any income from employment for which tax was withheld?**

No ☐ Go to Question 22 Yes ☐

1. Complete the following tables. If you need more lines please attach a schedule.
2. Print the totals in Box 21A and Box 21B.
3. Attach Withholding Tax Notifications

Name of Employer	Tax Withheld	
	\$	c
TOTALS:	21A	

Gross Income Received from Employment	
\$	c
21B	

22 **Did you receive any contractor payments for which tax was withheld?**

No ☐ Go to Question 23 Yes ☐

1. Complete the following tables. If you need more lines please attach a schedule.
2. Print the totals in Box 22A and Box 22B.
3. Attach Withholding Tax Notifications

Name of person paying Contractor Payments	Tax Withheld	
	\$	c
TOTALS:	22A	

Gross Income Received from Contractor payments	
\$	c
22B	

23 **Were you entitled to a share of trust or partnership income?**

No ☐ Go to Question 24 Yes ☐

1. Complete the following tables. If you need more lines please attach a schedule.
2. Print the totals in Box 23A and Box 23B.
3. Attach Withholding Tax Notifications

Name of Partnership, Estate or Trust	Tax Credits applicable	
	\$	c
23A		

Share of partnership income or entitlement to trust	
\$	c
23B	

24 **Total all the Tax Withheld in Boxes 21A, 22A and 23A. Print the Total in Box 24.**

	\$	c
Total Tax Withheld/Credits	24	

Do not include overseas tax paid.

25

Did you receive any income from Overseas?

No

☐

Go to Question 26

Yes

☐

See Instructions at the back of this Return. Print the details in Boxes 25A to 25D and attach Foreign Tax Certificates. If applicable, attach a schedule as detailed in the Instructions.

Overseas Tax Paid on Business Income
\$ c**25A**

(Do NOT add Overseas Tax paid to Total Tax Deducted at Box 24).

Overseas Tax Paid on Property Income
\$ c**25C**

(Do NOT add Overseas Tax paid to Total Tax Deducted at Box 24).

Overseas Business Income after Losses Brought Forward
\$ c**25B**

If a Net Loss, print \$0.00 in Box 25B

Overseas Property Income after Losses Brought Forward
\$ c**25D**

If a Net Loss, print \$0.00 in Box 25D

26

Did you receive any income from business and / or property activities?

No

☐

Go to Question 30

Yes

☐

Print the details in Box 26A to Box 27V. (See Instructions at the back of the return).

Total Property IncomeRent, interest, royalties ,
dividends**26A** **Business Sales Income**

Sales, fees received

26B **Cost of Goods Sold** (if applicable, otherwise copy the amount at Box 26B to Box 26G).

Opening Value	26C	<input type="text"/>	<input type="text"/>
Purchases	26D	<input type="text"/>	<input type="text"/>
Closing Value	26E	<input type="text"/>	<input type="text"/>

Add Boxes 26C and 26D then deduct Box 26E. Enter your answer in Box 26F.

26F This is **Cost of Goods Sold****Business Profit**Deduct Box 26F from Box 26B.
Print answer in Box 26G**26G**

(If a loss print a minus sign in the last box.)

Other Business Income

See Instructions at the back of the return.

26H **Total Business Income**

Add Box 26G and 26H

26I

(If a loss print a minus sign in the last box.)

Gross Income

Add Box 26A and 26I. Print answer in Box 26J.

26J

(If a loss print a minus sign in the last box.)

27

Show any expenses that you incurred that relate solely to your business or property activities.**Expenses**

		\$	c
Advertising	27A		
Bad Debts	27B		
Communications	27C		
Depreciation	27D		
Insurance	27E		
Interest Paid	27F		
Lease and Licence Payments	27G		
Fuel	27H		
Travel and Transport	27I		
Office Supplies	27J		
Electricity	27K		
Rent and Rates	27L		
Repairs and Improvements	27M		
Salary and Wages Paid	27N		
Contractor Payments Made	27O		
Charitable Donations	27P		
Entertainment Expenses	27Q		
Scientific research expenditure	27R		
Tax agent fees	27S		
Other Expenses (See Instructions at the back of the return)	27T		

Total Expenses

Add up all Boxes from 27A to 27T Print answer in Box 27U

27U		\$	c
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Net Profit / Loss for the Current Year

Deduct Box 27U from Box 26J. Print answer in Box 27V.

27V		\$	c
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(If a Net Loss, print a minus sign in the last box and go to Question 29 and print 0.00 in Box 29).

28

Losses Brought Forward

If the amount in Box 27V is a Net Profit, do you have losses brought forward from the previous 3 years?

No ☐ Copy the amount in Box 27V to Box 29.Yes ☐ Complete Boxes 28A to 28D. Attach a schedule showing the years and the calculation of the losses claimed. See Instructions at the back of the return.

Net Property Loss carried forward from the last 3 years

28A		\$	c
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Net Property Loss used this year

28B		\$	c
------------	--	----	---

(This amount cannot be greater than the Total Property Income shown at Box 26A)

Net Business Loss carried forward from the last 3 years

28C		\$	c
------------	--	----	---

Net Business Loss used this year

28D		\$	c
------------	--	----	---

(This amount cannot be greater than the Total Business Income shown at Box 26I)

Total carry forward losses claimed

Add up Boxes 28B and 28D. Print the answer in Box 28E.

28E		\$	c
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(This amount cannot be greater than the Net Profit shown at Box 27V)

Net Profit after Losses Brought Forward

Deduct Box 28E (if completed) from Box 27V. Print the answer in Box 29.

29		\$	c
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29

30

Did you receive any Other Income?

See Instructions at the back of the return. This includes income, other than exempt income, not already included elsewhere in the return.

No ☐ Go to question 31 Yes ☐ Print the total in Box 30. Attach a schedule showing the names of payers, the amounts and a description of the income.

\$ c

Other Income for the Current Year **30**

31

Calculate Chargeable Income

Add Boxes 21B, 22B, 23B, 25B, 25D, 29 and 30 Print your answer in Box 31.

\$ c

Chargeable Income **31**

(If a loss, put a minus sign in the last box).

32

Declaration: Read and sign the following:

The information I have provided in this return is true and correct and represents my assessment for the year ended 31 December

Y E A R

and I understand that any misleading or false information is an offence under the Revenue Administration Act 2013.

Signature

.../... /

Date

33

WHAT TO DO NEXT**Have you attached the following documents if required?**

		Tick
Schedule of Income Received from Employment (Question 21)	Attached	33A <input type="checkbox"/>
Withholding Tax Notifications (Questions 21, 22 and 23)	Attached	33B <input type="checkbox"/>
Schedule of Contractor Payments Received (Question 22)	Attached	33C <input type="checkbox"/>
Schedule of Income from a Partnership, Estate or Trust (Question 23)	Attached	33D <input type="checkbox"/>
Foreign Tax Certificates (Question 25)	Attached	33E <input type="checkbox"/>
Schedule of Overseas Business Losses and Overseas Property Losses now claimed (Question 25)	Attached	33F <input type="checkbox"/>
Schedule Showing Other Business Income (Question 26H)	Attached	33G <input type="checkbox"/>
Schedule of Other Expenses (Box 27Q)	Attached	33H <input type="checkbox"/>
Schedule of Losses Brought Forward now claimed (Question 28)	Attached	33I <input type="checkbox"/>
Schedule showing any Other Income (Question 30)	Attached	33J <input type="checkbox"/>

Print your name and TIN on all documents attached to your return.

Send your return to **Kiribati Tax Division**, P.O. Box 67, Bairiki, Tarawa, Republic of Kiribati, or deliver it in person to our offices in Bairiki or Kiritimati.

You have now completed the compulsory section of your return.
Pages 6 to 8 (Tax Calculation and Provisional Tax) are voluntary.

Tax Calculation and Provisional Tax: Voluntary Questions

The following Questions (Questions 34 to 42M) are voluntary. The Kiribati Tax Department will calculate your Tax Payable, any Refund due, and any Provisional Tax Payable. However, these questions are provided here if you wish to do these yourself. Note that the Kiribati Tax Department will check your calculations.

Tax Calculation on Chargeable Income

34 **Non-residents:** Tax Payable (Box 34) is calculated on Chargeable Income (Box 31) at the standard rate: 30%.

Residents (other than chargeable property income of an unmarried minor): See Instructions at the back of this Return. Calculate as follows:

- If the amount in Box 31 is \$5,000.00 or less, print \$0.00 in Box 34.
- If the amount in Box 31 is more than \$5,000.00 but not more than \$15,000.00, use Table A.
- If the amount in Box 31 is more than \$15,000.00 but not more than \$30,000.00, use Table B.
- If the amount in Box 31 is more than \$30,000.00, use Table C.

Table A	
Box 31 is more than \$5,000.00 but not more than \$15,000.00.	
Print Chargeable Income here	
\$	
Deduct	-\$5,000.00
Enter Balance here	
Multiply amount by 20% and print the answer below and in Box 34.	

Table B	
Box 31 is more than \$15,000.00 but not more than \$30,000.00.	
Print Chargeable Income here	
Deduct \$15,000.00	-\$15,000.00
Enter Balance	
Multiply amount by 25% and print answer here	
Add \$2,000.00	+\$2,000.00
Print total here and in Box 34.	

Table C	
Box 31 is more than \$30,000.00.	
Print Chargeable Income here	
Deduct \$30,000.00	-\$30,000.00
Enter Balance	
Multiply amount by 30% and print answer	
Add \$5,750.00	+\$5,750.00
Calculate total here and put in Box 34.	

Total Tax Payable. Work out Total Tax Payable using the instructions above. Print your answer in Box 34.

	\$	c
34		

35 **Foreign Tax Credit.** See Instructions at the back of the return to calculate the credit.

	\$	c
35		

36 **Tax Payable after Foreign Tax Credit**

- If the amount in Box 35 is larger than the amount in Box 34, print 0.00 in Box 36.
- If the amount in Box 35 is smaller than the amount in Box 34, deduct Box 35 from Box 34, and print the answer in Box 36.

	\$	c
36		

37 **Credits for Tax Withheld.** Copy the Total Tax Withheld from Box 24 (page 2) to Box 37.

	\$	c
37		

38 **Net Tax Payable for This Year.** Deduct Box 37 from Box 36. Print your answer in Box 38. A positive amount is payable. A negative amount is refundable.

	\$	c
38		

(If this is a negative amount, put a minus sign in the last box).

39 **Provisional Tax Paid for This Year.** Print this amount in Box 39.

	\$	c
39		

40

Refund or Tax to Pay.

- If the amount at Box 38 is \$0.00 or a negative amount, add the amount at Box 38 (ignoring any negative sign) to the amount at Box 39. Print your answer at Box 40A. At Box 40B, tick **Refund**.

- If the amount at Box 38 is a positive amount and larger than the amount at Box 39, deduct the amount at Box 38 from the amount at Box 39. Print your answer at Box 40A. At Box 40B, tick **Tax to Pay**.

- If the amount at Box 38 is a positive amount and smaller than the amount at Box 39, deduct the amount at Box 38 from the amount at Box 39. Print your answer at Box 40A. At Box 40B, tick **Refund**.

	\$	c
40A		

40B	Refund	<input type="checkbox"/>	Tax to Pay	<input type="checkbox"/>
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Refunds and/or Transfers

41

At Box 40B, did you tick the Box for a Refund?

No ☐ Go to question 42.

Yes ☐ Choose how the Refund is to be treated. You may choose a combination of more than one option. See Instructions at the back of the return.

Option

		Y	E	A	R
1	Transfer the Refund to Provisional Tax for year ended 31 December	41A			

Print the amount to be transferred in Box 40B.

	\$	c
41B		

2	Transfer your Refund to another tax type (for example, VAT), or tax period.
	Print the amount to be transferred in Box 41C, the tax type in Box 41D, and the tax period in Box 41E.

	\$	c
41C		

Tax Type	41D	
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	D	D	M	M	Y	E	A	R
Tax Period Ended	41E							

3	Refund. Show in Box 41F the amount to be refunded.
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	\$	c
41F		

Tick the appropriate box to indicate how you would like that refund paid:

Cash (limits apply) or cheque ☐

Telmo (to outer islands) ☐

Direct credit to your bank account (as entered on page 1, Boxes 16, 17 and 18). ☐

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.

	\$	c
41G		

Provisional Tax 31 December

Y	E	A	R
			42A

(Print the year following the year of this current return.)

Is this a final tax return?**42B**

No

☐

Go to Question 42D

Yes

☐

In Box 42C, print the finish date of your business and property activities.
(If you ceased all business and property activities in the current year then there should be no provisional tax liability for the next year.)

D D M M Y E A R

42C

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Is the amount in Box 38 a positive amount?**42D**

No

☐

You will need to lodge provisional tax returns to calculate your instalments. Please read the instructions for further information.

Yes

☐

You can use this form to calculate your provisional tax instalments. Go to **Calculation of Provisional Tax** (Boxes 42E to 42H).

Calculation of Provisional Tax

(See Instructions at the back of the return)

Provisional Tax Base. Provisional Tax is calculated based on net tax payable after credits for tax withheld and foreign tax. Copy the amount from Box 38.

	\$	c
42E		

Provisional Tax Instalments

There are three instalments, due 31 July and 31 October of the year following the current year, and 31 January of the subsequent year. Each instalment is 27.5% of the amount at Box 42E. Print the amounts of each instalment in Boxes 42F, 42G and 42H.

		\$	c
Due 31 July	42F		
Due 31 October	42G		
Due 31 January	42H		

Instructions for completing your tax return

(If the answer to your question is not written below, please phone the Kiribati Tax Division on 740 21806 & 720 21806, or come in and see us at Bairiki in Tarawa or London in Kiritimati.

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

Who should use this form:

You must lodge an income tax return using this form if you are an individual with:

- business income and/or property income; or
- employment income from more than one employer, or where tax has not been withheld from your employment income.

You do not need to lodge an income tax return if the only income you have is:

- employment income from one employer from which tax has been withheld; or
- income from which non-resident withholding tax has been withheld; or
- a dividend from a Kiribati resident company from which tax has been withheld.

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 https://www.mfed.gov.ki/ or from our offices at Bairiki and London, Kiritimati. Attach the application to your tax return when you file it. b. If you have forgotten or lost your TIN, call us on 720 21806/ 730 33777 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) If you account on an 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 accounting for income tax changes, 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.

21 to 22	These questions are asking for any income from employment or contractor payments you received from which tax was deducted or withheld. Attach the Withholding Tax Notifications that show the amounts of tax withheld or deducted.
23	<p>Were you entitled to a share of trust or partnership income?</p> <p>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. You must attach the withholding tax certificates that show the amounts of tax withheld. If you were a non-resident partner you must include your share of the net income of the partnership that is attributable to Kiribati source income, other than income subject to non-resident tax or international transportation tax.</p> <p>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 attributable to Kiribati source income.</p>
25	<p>Did you receive any income from Overseas?</p> <p>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.</p> <p>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.</p> <p>Note 3: Where the income received or the tax paid is in a currency other than the Australian dollar, the amounts must be translated to Australian dollars at the Reserve Bank of Australia mid exchange rate on the date that the amount is taken into account for tax purposes. However, with the prior permission in writing of the Commissioner, you can use the Reserve Bank of Australia average exchange rate for the tax year between the foreign currency and Australian dollars.</p>
25A, 25C	<p>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</p> <p>Print in Box 25A any Overseas Tax Paid on the Overseas Business Income shown at Box 25B.</p> <p>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.</p> <p>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 35</p>
25B, 25D	<p>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.</p> <p>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 be</p> <p>c. If losses are claimed, attach a schedule showing, as applicable:</p> <ul style="list-style-type: none"> - 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	<p>Did you receive any income from business and / or property activities? If you have run a business during the tax year, or earned rent, interest, or other income from property, you must record your income and expenses here. Do not attach your financial statements.</p>
26A	<p>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.</p> <p>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.</p> <p>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 payments, profits on disposal or surrender of a financial instrument, and payments of defaulted interest by a guarantor. Include the interest component of any financial</p> <p>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.</p> <p>Dividend is a distribution of profits by a company to a member, and includes an amount returned by a company to a member that exceeds 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 unincorporated body or association of persons.</p> <p>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.</p> <p>Include as property interest any attributed income from a tax haven entity.</p> <p>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.</p>
26B	<p>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.</p>
26C to 26F	<p>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</p> <p>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.</p>
26C	<p>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.</p>
26D	<p>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 an accruals 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.</p> <p>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).</p>

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 earned from your sales and services activities, after deducting the direct costs of those goods that were sold (where applicable), but before you deduct your expenses.
26H	<p>Other Business Income: Include here any income made by the business that has not been included at Box 26B. This includes:</p> <ul style="list-style-type: none"> 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 chargeable income for the current year, determined in accordance with the percentage of completion method under financial reporting standards. <p>Attach a schedule showing for each income item the name of the payer, the amount and a description of the income item.</p>
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 earned 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, royalties 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
27B	<p>Bad Debts: You can claim a deduction for a bad debt only where:</p> <ul style="list-style-type: none"> a) either the amount of the debt receivable 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; b) the debt is written off as bad in your financial accounts for the year in accordance with financial accounting 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 years	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 27D

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.
27P	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 Value 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.
27Q	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.
27R	Scientific research expenditure: You can claim a deduction for 100% of the expenditure you incur to undertake scientific research for the purposes of developing your business, including payments to a scientific research institution for that purpose. Scientific research is experimental activity the outcome of which cannot be determined in advance on the basis of current knowledge but 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 existence, location, extent or quality of a natural deposit.
27S	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 transacting on your behalf with the Commissioner on any other business under the tax laws.
27T	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 27T 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 27V. 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). 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 calculation 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 27V). 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 27V to Box 29.

30	<p>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.</p> <p>Attach a schedule showing for each income item the name of the payer, the amount and a description of the income item.</p> <p>Some amounts are exempt from tax, and these should NOT be written at Box 30. These include:</p> <ul style="list-style-type: none"> 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 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 Minister 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 Kiribati. 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 extent provided by the Diplomatic Privileges and Immunities Act 1983 and the Consular Privileges and Immunities Act 1983. i) the official 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 duties performed 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 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 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. <p>If unsure if an amount is subject to tax or is exempt, check the website at https://www.mfed.gov.ki/, phone 720-21806, or visit the Kiribati Tax Division at Bairiki or <i>London in Kiritimati Island</i>.</p>
31	<p>Chargeable Income: This is your total income minus allowable deductions for the tax year. It will be used to calculate your tax payable.</p>
32	<p>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.</p>
33	<p>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.</p>

34 to 42M	<p>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.</p>
34	<p>Tax Calculation for a resident (other than chargeable property income of an unmarried minor):</p> <p>If the amount in Box 31 is \$5,000.00 or less, your Tax Payable is NIL, so print \$0.00 in Box 34.</p> <p>However, if the amount in Box 31 is more than \$5,000.00, the tax rates are:</p> <ul style="list-style-type: none"> - 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 34 <p>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%).</p>
35	<p>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:</p> <ol style="list-style-type: none"> 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. <p>To calculate the foreign tax credit, follow these steps:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>

37	Credits for Tax Withheld: These reduce Tax Payable. If you have Credits for Tax Withheld, 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	<p>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):</p> <ul style="list-style-type: none"> - 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	<p>Refunds and/or Transfers. If you ticked Box 40B for a Refund, there are 3 options:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
42 to 42H	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	<p>Is the amount in Box 38 a positive amount? Place a Tick in either the No or Yes Box:</p> <ul style="list-style-type: none"> - If you ticked the No Box (the amount in Box 38 is negative), You will need to lodge provisional tax returns to calculate your instalments. For most taxpayers, provisional tax instalments are calculated based on the net tax payable in the previous income year. However because you were in a net loss position at the end of the tax year, provisional tax is calculated as 2% of your gross instalment income for each instalment period next year. In these circumstances you must lodge Provisional Tax Returns in the Approved Form for each instalment period next year. <p>You have now finished questions about Provisional Tax. Leave Boxes 42E to 42M blank.</p> <ul style="list-style-type: none"> - If you ticked the Yes Box (the amount in Box 38 is positive), go to Calculation of Provisional Tax (Boxes 42E to 42J).
42E	<p>Provisional Tax Base. Provisional Tax is calculated based on your net tax payable after credits for tax withheld and foreign tax. Copy the amount from Box 38.</p> <p>Complete Boxes 42F to 42H to work out your Provisional tax instalments</p>
42F to 42H	<p>Provisional Tax Instalments: Provisional Tax is paid in three instalments, due 31 July and 31 October in the year following the current year, and 31 January in the subsequent year. Each instalment is 27.5% of the amount shown in Box 42E. Work out 27.5% of the amount in Box 42E, and print it in each of Boxes 42F, 42G and 42H.</p> <p>Example: if the amount in Box 42E 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 42F \$2,750.00, in Box 42G \$2,750.00, and in Box 42H \$2,750.00.</p>