

INCOME TAX AMENDMENT BILL 2021

SAMOA

Explanatory Memorandum

1.0 Object and reasons:

- 1.1 The Bill seeks to make amendments to the Income Tax Act 2012 (“Act”).
- 1.2 The objects of the Bill are:
- (a) to remove all provisions that pertains to the imposition of tax on a minister of religion;
 - (b) to remove all obligations that were imposed on a minister of religion following the imposition of the salary and wage income tax; and
 - (c) to include income derived by a minister of religion as an exempt income.

Clauses:

- Clause 1:** - provides for the short title and commencement.
- Clause 2:** - amends section 2 of the Act by repealing the definition of “minister of religion”; and references to ‘minister of religion’ in the definition of “employee”.
- Clause 3:** - amends section 61 of the Act by repealing subsection (1)(g); subsection (10) and subsection (11) which were relevant to the income of a minister of religion.

- Clause 4:** - amends section 93 of the Act by repealing subsection (3) which was a provision relating to withholding tax for a minister of religion.
- Clause 5:** - amends section 93A of the Act by repealing subsection (2); subsection (3) and subsection (4). These provisions provide for the duty of the minister to either choose to file his or her own salary and wage tax return or for a third party to fulfil such duty on his behalf.
- Clause 6:** - amends schedule 2 of the Act by inserting in Part A(1) a new paragraph (1) to cover income derived by a minister of religion as an income exempt.
- Clause 7:** - provides for transitional provisions to clarify that the obligation by a minister of religion under the repealed provisions that was due in November are redundant and need not to be enforced at the commencement of this Act.



(Hon TUALA Tevaga Iosefo Ponifasio)

MINISTER FOR CUSTOMS AND REVENUE

INCOME TAX AMENDMENT BILL 2021

SAMOA

Arrangement of Provisions

1. Short title and commencement
2. Section 2 amended
3. Section 61 amended
4. Section 93 amended
5. Section 93A amended
6. Schedule 2 amended
7. Transitional provisions

2021, No.

A BILL INTITULED

AN ACT to amend the Income Tax Act 2012 (“Principal Act”).

BE IT ENACTED by the Legislative Assembly of Samoa in Parliament assembled as follows:

1. Short title and commencement:

This Act may be cited as the Income Tax Amendment Act 2021 and commences on the 12th November 2021.

2. Section 2 amended:

Section 2 of the Principal Act is amended as follows:

- (a) in the definition of “employee”, omit the words “and includes minister of religion”; and
- (b) repeal the definition of “minister of religion” and its meaning.

3. Section 61 amended:

Section 61 of the Principal Act is amended by repealing subsection (1)(g); subsection (10) and subsection (11).

4. Section 93 amended:

Section 93 of the Principal Act is amended by repealing subsection (3).

5. Section 93A amended:

Section 93A of the Principal Act is amended by repealing subsections (2) to (4).

6. Schedule 2 amended:

Schedule 2 of the Principal Act is amended by inserting in Part A(1), a new paragraph (l) as follows:

- “(l) the income derived by a Minister of Religion if -
 - (i) the sole occupation of the Minister is the spiritual guidance of a specific congregation in Samoa; and

- (ii) the income comprises contributions made by members of the congregation; and
- (iii) the Minister is approved by the Commissioner for the purposes of this paragraph;”.

7. Transitional provisions:

At the commencement of this Act, any filing or reporting obligation of income tax by a Minister of Religion under the repealed provisions for the month of October that was due on 15 November 2021 is redundant and therefore need not to be enforced.
