

1976 Supplementary Appropriation  
Ordinance 1977 - No. 4 of 1977

Short title. 1. This Ordinance may be cited as the 1976 Supplementary Appropriation Ordinance 1977.

Authorisation of issue of \$33,250 from the Consolidated Fund. 2. The issue from the Consolidated Fund is hereby authorised of a sum not exceeding thirty-three thousand two hundred and fifty dollars to be applied to the service of the year ending 31st December 1976.

Appropriation. 3. The sum specified in the preceding section shall be appropriated for the supply of the heads specified, and in the amounts respectively specified in relation thereto, in the Schedule to this Ordinance.

SCHEDULE

RECURRENT EXPENDITURE	ADDITIONAL EXPENDITURE AUTHORISED
HEAD	\$A
206: Public Service Commission	1,000
225: Ministry of Health and Welfare	7,250
232: Pensions and Gratuities	25,000
<b>TOTAL EXPENDITURE</b>	<b><u>33,250</u></b>

Passed by the Legislative Assembly this second day of June one thousand nine hundred and seventy-seven.

This printed impression has been carefully compared by me with the Bill passed by the Legislative Assembly and found by me to be a true and correct copy of the said Bill.

E. ANDRESEN  
Clerk to the Legislative Assembly

SOLOMON ISLANDS

NO. 5 OF 1977



Assented to in Her Majesty's name and on Her Majesty's behalf this twenty-first day of June 1977.

C.H. ALLAN  
Governor

**AN ORDINANCE**

TO AMEND THE INCOME TAX ORDINANCE

Date of  
commence-  
ment:

ENACTED by the Governor of the Solomon Islands with the advice and consent of the Legislative Assembly of the Solomon Islands, as follows:-

*Income Tax (Amendment)  
Ordinance 1977 - No. 5 of 1977*

Short title  
and commence-  
ment.

1. (1) This Ordinance may be cited as the Income Tax (Amendment) Ordinance 1977 and shall, subject to subsections (2) and (3), come into operation on the 1st January 1977 and apply to assessments for the year 1977 and subsequent years.

(2) Sections 2 and 3 shall be deemed to have come into operation on 1st January 1976 and shall apply to assessments for the year 1976 and subsequent years.

(3) Sections 4, 6, 8, 9 subparagraph (b), 11, 13, 15, 17, 19, 20, 21 and 22 shall come into operation on 1st July 1977.

Amendment  
of section 2  
of No. 2 of  
1976.

2. Subparagraph (e) of paragraph (a) of section 2 of the Income Tax (Amendment) Ordinance 1976 is hereby amended by deleting the comma which occurs immediately following the word "bonus".

Amendment  
of Section  
13 of No.2  
of 1976.

3. Section 13 of the Income Tax (Amendment) Ordinance 1976 is hereby amended by deleting paragraph (b) thereof and substituting the following new paragraph therefor -

"(b) by deleting paragraph (i) of the proviso thereto and substituting the following new paragraph therefor - '(i) in no case shall such allowance exceed six hundred dollars;' "

Amendment  
of section 2  
of Cap. 61.

4. Section 2 of the Income Tax Ordinance (hereinafter referred to as the principal Ordinance) is hereby amended by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein.

Amendment  
of section 5  
of Cap. 61.

5. Section 5(1)(b)(ii) of the principal Ordinance is hereby amended by the substitution of the words "fifteen per centum of his total income from such employment" for the words "six hundred dollars".

Amendment  
of section 8  
of Cap. 61.

6. Section 8(1) of the principal Ordinance is hereby amended by inserting a full stop for the colon where it appears therein and inserting immediately thereafter the following words "Where any ship or aircraft owned or chartered by a non-resident person calls at any place in the Solomon Islands for the purpose of embarking cargo purchased by or on behalf

*Income Tax (Amendment)  
Ordinance 1977 - No. 5 of 1977*

of such person which has been manufactured, grown, mined, produced, harvested or felled within the Solomon Islands or surrounding waters then for the purpose of this section such person shall be deemed to be carrying on the business of owner or charterer of such ship or aircraft and shall be deemed to have received such carriage as the Commissioner considers just and reasonable."

7. The principal Ordinance is hereby amended by the insertion, immediately after section 11 thereof, of the following new section -

"Certain  
income  
from  
business  
operations  
to be  
exempt.

11A. (1) Where the Minister is of the opinion that it would assist any business operations of a Solomon Islander or a Solomon Islands company successfully to become established, he may, subject to the other provisions of this section, declare the total income derived by, or accruing to, such person or company from such operations to be exempt from tax to such extent, and subject to such terms and conditions, as he may see fit to specify and such income shall be exempt accordingly.

(2) The total income of any person or company which may be exempted from tax by the Minister under this section shall not exceed twenty-five thousand dollars or such greater amount, not exceeding fifty thousand dollars, as the Minister may, with the consent of the Council of Ministers, in any particular case decide.

(3) No exemption may be granted under this section in respect of income other than income accrued or derived during the period of five years commencing either -

Amendment  
of Cap. 61  
by the addi-  
tion of a new  
section 11A.

*Income Tax (Amendment)*  
*Ordinance 1977 - No. 5 of 1977*

- (a) on the 1st January 1977; or
- (b) on such other date as the Minister may specify in respect of a particular person or company when granting such exemption, which date be the later:

Provided, however, that the Minister may, in respect of the income of any particular person or company, with the approval of the Council of Ministers, extend any such five-year period by a further period not exceeding five years.

(4) Any person or company seeking an exemption under this section shall make application in that behalf on, or before, the 31st of December 1977, or within six months of the commencement of the operations of the business in question, whichever be the later. Such application shall be in writing and shall be accompanied with full particulars of such operations, the source and amount of capital employed, or intended to be employed, in such operations, and, in the case of a company, the names and addresses of all persons having a beneficial interest in the shares of such company. If requested in writing by the Commissioner so to do, any such person or company shall also supply such further information as the Commissioner shall deem necessary to enable the application to receive proper consideration.

(5) A declaration under this section may be revoked by the Minister if at any time it appears to him that -

- (a) the information supplied under subsection (4) in relation thereto was so

*Income Tax (Amendment)*  
*Ordinance 1977 - No. 5 of*

incorrect as to leading;  
or

- (b) in the case of any such declaration exempting the income of a Solomon Islands company, it at any time there ceases to be a Solomon Islands company within the meaning ascribed to that expression; or
- (c) the business operations concerned have become successfully established; or
- (d) the purpose for which the exemption was granted has for any reason become impossible to achieve.

Any revocation under this subsection shall have effect for all the purposes of this Ordinance from the commencement of the year in which the revocation is made:

Provided that in the case of any revocation made on the grounds set forth in paragraph (a) the Minister may specify that the revocation shall have such effect from any date which he shall deem just.

(6) For the purposes of this section the expression "Solomon Islands company" shall mean a company incorporated in the Solomon Islands and whose registered office and place of business is situate in the Solomon Islands and whose shares are allotted in such manner that not less than 60 *per centum* of the equity of such company is owned beneficially by Solomon Islanders.

*Income Tax (Amendment)  
Ordinance 1977 - No. 5 of 1977*

- Amendment of section 12 of Cap. 61. First Schedule.
8. Section 12 of the principal Ordinance is hereby amended by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein.
- Amendment of section 14 of Cap. 61.
9. Section 14 of the principal Ordinance is hereby amended as follows -
- (a)(i) by substituting a semi-colon for the full stop at the end of subsection (2)(k); and
- (ii) by adding immediately thereafter the following new paragraph -
- “(1) any interest which the Commissioner is satisfied has been paid by such person on moneys borrowed by him for the purpose of acquiring or improving his principal place of residence in the Solomon Islands:
- Provided, however, that no deduction shall be allowed for any interest paid on any portion of such moneys which exceeds fifteen thousand dollars.”.
- Second Schedule.
- (b) by substituting the words "Minister of Finance" for the word "Governor" where it occurs therein.
- Amendment of section 15 of Cap. 61.
10. Section 15(2) of the principal Ordinance is hereby amended as follows -
- (a) by substituting a semi-colon for the full stop at the end thereof; and
- (b) by adding the following new paragraph at the end thereof -
- “(h) any expenditure for which a set-off has been allowed under section 36A.”.
- Amendment of section 18 of Cap. 61.
11. Section 18 of the principal Ordinance is hereby amended by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein.
- Amendment of section 24 of Cap. 61.
12. Section 24 of the principal Ordinance is hereby amended by inserting a full stop immediately after the words "spouse allowance" and by deleting the words immediately following the word "allowance".

*Income Tax (Amendment)  
Ordinance 1977 - No. 5 of 1977*

- Amendment of section 25 of Cap. 61.
13. Section 25(2) of the principal Ordinance is hereby amended by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein.
- Amendment of section 28 of Cap. 61.
14. Section 28 of the principal Ordinance is hereby amended by deleting the words "or one thousand dollars whichever is the less" and the colon and the proviso thereto and by inserting the words "subject to the following limitation:
- (i) five *per centum* of the total income of any person who is a public officer in respect of whose services at the end of such year there attach non-contributory pension rights;
- (ii) twenty *per centum* of the total income of any other person, provided that such allowance shall be reduced by the amount contributed by his employer to an approved pension fund or National Provident Fund to the extent that it is exempt from tax.”.
- Amendment of section 29 of Cap. 61.
15. Section 29 of the principal Ordinance is hereby amended by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein.
- Amendment of Cap. 61 by the addition of a new section 36A.
16. The principal Ordinance is hereby amended by the insertion, immediately after section 36 thereof, of the following new section -
- “Licence fees paid to Councils may be allowed to be set-off.
- 36A. (1) If any person carrying on business proves to the satisfaction of the Commissioner that he paid during any year a licence fee for that year in respect of that business to a Council established under the Local Government Ordinance, and if he makes a claim in that behalf to the Commissioner within the time allowed for furnishing a return under section 48 or such further time as the Commissioner may allow, the amount of such fee shall be set-off for the purposes of collection against so much of the tax charged on such person for such year as is attribu-
- Cap. 14.

*Income Tax (Amendment)*  
*Ordinance 1977 - No. 5 of 1977*

table to gains or profits derived from the carrying on of such business during such year:

Provided that, notwithstanding the provisions of section 77, such person shall not be entitled to any refund in the event of the amount to be set-off exceeding such tax charged on him.

(2) The Minister may by Order prescribe the maximum amount that may be set-off under this section in respect of any one business in any year."

Amendment  
of section 39  
of Cap. 61.

17. Section 39 of the principal Ordinance is hereby amended by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein.

Amendment  
of section 42  
of Cap. 61.

18. Section 42(1) of the principal Ordinance is hereby amended by inserting the following proviso thereto -

"Provided that -

- (i) Where such married woman derives income -
- (a) from a business, carried on by her apart from her husband; or
- (b) from employment or services rendered, other than from employment with or services rendered to her husband; or

of an amount which exceeds six hundred dollars, in any year the spouses shall, for the purposes of this Ordinance, be treated for that year as if they were unmarried persons;"

Amendment  
of section 71  
of Cap. 61.

19. Section 71(1) of the principal Ordinance is hereby amended by the substitution of the word "ten" for the word "five" where it occurs therein.

Amendment  
of section 72  
of Cap. 61.

20. Section 72 of the principal Ordinance is hereby amended by adding the following new subsection at the end thereof -

"(5) For the purposes of this section, the amount of any balance standing to the credit of any person at any bank shall be deemed to be moneys held by such bank for such person."

*Income Tax (Amendment)*  
*Ordinance 1977 - No. 5 of*

21. Section 93(4)(a) of the principal Ordinance amended as follows -

Amendment  
of section 93  
of Cap. 61.

(a) by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein; and

(b) by inserting at the end of the subsection immediately after the word "Ordinance" the words "or for the purposes of the Stamp Duties Ordinance;"

22. Section 98 of the principal Ordinance is hereby amended by the substitution of the words "Minister of Finance" for the word "Governor" where it occurs therein.

Amendment  
of section 98  
of Cap. 61.

Passed the Legislative Assembly this eighth day of June one thousand nine hundred and seventy-seven.

This printed impression has been carefully compared by me with the Bill passed by the Legislative Assembly and found by me to be a true and correct copy of the said Bill.

E. ANDRESEN  
Clerk to the Legislative Assembly