



REPUBLIC OF NAURU

# BUSINESS TAX (AMENDMENT) NO.2 ACT 2016

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No. 49 of 2016

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An Act to amend the Business Tax Act 2016

Certified: 4<sup>th</sup> November 2016

## Table of Contents

1	SHORT TITLE .....	1
2	COMMENCEMENT .....	1
3	AMENDMENT OF BUSINESS TAX ACT 2016.....	1
4	AMENDMENT OF SECTION 8.....	1
5	AMENDMENT OF SECTION 18.....	1
6	AMENDMENT OF SECTION 38.....	1
7	AMENDMENT OF SECTION 39.....	2
8	AMENDMENT OF SECTION 41.....	2

Enacted by the Parliament of Nauru as follows:

**1 Short title**

This Act may be cited as the *Business Tax (Amendment) No. 2 Act 2016*.

**2 Commencement**

This Act commences upon certification by the Speaker.

**3 Amendment of Business Tax Act 2016**

The Business Tax Act 2016 is amended by the provisions of this Act.

**4 Amendment of section 8**

Section 8 is amended by:

- (a) omitting the word 'or' at the end of paragraph (a);
- (b) omitting the full stop at the end of paragraph (b) and substituting it with '; or';
- (c) inserting the words 'or an asylum seeker within the meaning in the Refugee Convention Act 2012' in paragraph (b) after the word 'refugee';
- (d) inserting a new paragraph (c) as follows:
  - (c) the individual is married to an individual who is a resident individual under paragraph (a).

**5 Amendment of section 18**

Section 18(1)(d)(iii) is amended by omitting the words:

'the agreement comes into effect'

**And substituting with the words**

'the date of Cabinet's written concurrence with the exemption provision'.

**6 Amendment of section 38**

Section 38(2) is amended by omitting the word 'person'

**And substituting it with the word**

'individual'.

**7 Amendment of section 39**

- (1) Section 39 is amended by inserting a new subsection (1A) as follows:
  - (1A) A person who has a net loss for a tax year is treated as a person liable for business profits tax for the year.
- (2) Section 39(2) is amended by inserting the words 'because the taxable income of the resident individual for the year does not exceed the tax-free amount specified in paragraph (1)(a) of Schedule 1' after the words 'tax year'.
- (3) Section 39(3) is amended by omitting the words 'one month' and substituting with the words 'fifteen days'.

**8 Amendment of section 41**

- (1) Section 41(1) is amended by inserting the words 'file an instalment return and' after the words 'liable to'.
- (2) Section 41(2) is amended by omitting 'subsection (3)' and substituting with 'subsections (3) and (3C)'.
- (3) Section 41 is amended by inserting new subsections (3A), (3B), and (3C) as follows:
  - (3A) If a person has reasonable grounds for believing that the business profits tax payable by a person for the current tax year will be less than that payable for the previous tax year, the person may apply to the Secretary, in the approved form, for a variation in the amount of each instalment payable by the person for the current tax year.
  - (3B) An application under subsection (3A) must include an estimate of the person's business profits tax liability for the current year.
  - (3C) If the Secretary grants an application under subsection (3A), the amount of each instalment is based on the person's estimated business profits tax liability for the current year.