

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- Clause 7:** - provides for transitional provisions to clarify that the obligation by a minister of religion under the repealed provisions that was due in November are redundant and need not to be enforced at the commencement of this Act.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