

Summary of taxes

Summary of income tax rates for Corporations

Corporations/companies are taxed at a flat rate of tax of 27% in Samoa. The following table outlines rates of tax that apply specifically to life insurance companies and shipping and film rental businesses as well as to non-residents corporations/companies that conduct businesses in Samoa:

✓	Description	Tax base	Rate of tax
	Resident corporations/companies	World wide taxable income	27% of taxable income
	Non-resident corporations/companies	Samoa source taxable income	27% of taxable income
	Resident insurance companies	Non-Samoa source reinsurance income	2.5%
		Life insurance fund investment income	10%
	Non resident insurance companies	Life insurance premiums income	7.5%
		General insurance premiums income	15%
		Reinsurance premiums income	7.5%
	Non resident shipping companies	Gross income	5% (in the form of withholding tax)
	Non resident film rental companies	Gross income	15% (in the form of withholding tax)

Summary of income tax rates for Individuals

Income derived by residents in Samoa on worldwide income is taxable. Expatriates who are resident in Samoa for a specified period of time are required to pay taxes on income however non-residents may be exempt from tax in certain situations. The following outlines the marginal rates of tax that apply to individuals:

✓	From	To	Tax Rate
	\$0	\$12,000	Nil
	\$12,001	\$15,000	10%
	\$15,001	\$20,000	20%
	\$20,001		27%

The income tax rates for individuals above also apply to employees which is a PAYE (pay as you earn) system and is a final tax with no refunds.

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Due dates for income tax returns and the payment of provisional taxes

The income tax year is from January to December however if your financial year end is not the same as the tax year an application for submission on alternative income tax year can be lodged with the Ministry of Revenue.

✓	Description	Lodgment date	Final lodgment date before penalties apply
	Income tax return	31 st March	30 th April
	1 st installment of provisional tax	31 st March	30 th April
	2 nd installment of provisional tax	31 st July	31 st August
	3 rd installment of provisional tax	30 September	31 st October

Exempt income

The following some of the main items that are exempt income in Samoa:

- Dividends received from resident and non-resident companies;
- Trust income received by beneficiaries (after the payment of income tax by the Trust itself);
- Net income from the sale of primary production;
- Income of religious ministers;

Value Added Goods and Services Tax (VAGST)

VAGST is a domestic input credit consumption tax. The rate is now 15 % for all goods and services except for exports, which are taxed at 0%. VAGST is imposed on the supply of goods and services in Samoa by a registered business in the course of furthering its taxable activity.

VAGST is not charged on salaries, wages, electricity costs, international air travel costs or financial services.

Businesses with gross annual turn over of less than \$78,000 tala are exempt from registration for VAGST and therefore lodgment of returns.

VAGST returns are lodged on a bi-monthly basis and the net VAGST position is either a credit to be carried forward or a payment that is due to the Ministry for Revenue.

Accelerated depreciation rates

Taxpayers can elect to apply accelerated depreciation rates on a straight line basis at the following rates:

- Buildings – 20% or 5 years;
- Plant and machinery – 33.33% or 3 years;
- Motor vehicles - 33.33% or 3 years;

Depreciation is also calculated on a monthly basis from the actual date of purchase and not on a 6 monthly basis as previously allowed.