



## 2007 REVISED BUDGET SUMMARY OF REVENUE POLICIES

### INCOME TAX AND VAT

- ◆ **Export Income Deduction** to remain at 50% in 2007.
- ◆ **Information Communication Technology (ICT)**
  - The Kalabu Tax Free Zone will be declared as an ICT Zone. Ten years tax holiday will be available if an ICT operator is in the Zone.
- ◆ **Electricity/ Power Supply**
  - **Exemption of VAT** on the first \$30 of the electricity bill for residential dwellings only.
- ◆ **Removal of Income Tax exemption**
  - To ensure a level playing field for all taxpayers, the Income Tax Exemption enjoyed by Fijian Holdings Property Trust Fund will be removed. Further, dividend exemption enjoyed by the Colonial First State Income Fund or the Colonial First State Income and Growth Fund as well as Fijian Holdings Property Trust Fund will be removed.

### HOTEL TURNOVER TAX ACT

- ◆ **Due date for payment of Hotel Turnover Tax**
  - For ease of administration to both hoteliers and FIRCA, the due date for payment to be aligned with the VAT Decree requirements.
- ◆ **Definition of accountable persons** in HTT Act to be amended to include directors of companies.
- ◆ **Record keeping** - HTT Act to include 7 years record keeping requirements.
- ◆ **Refunds or payment of liability** - \$5 dollar refund to be ignored and not be considered for payment or refund in relation to HTT.
- ◆ **Provision for offsetting other tax refund against HTT liability** – to be consistent with Income tax Act, VAT and GTT.
- ◆ **Compounding Offence** - Section 5(7) of HTT Act to be amended to not only cover payment of HTT but to relate to any other provision of the HTT Act.

## CUSTOMS ACT

### ◆ Supply Chain Security

- Enactment of Supply Chain Security Legislation which includes the legislative changes to reduce storage period of goods in the bonded warehouse from three years to twelve months.

## CUSTOMS TARIFF ACT

**Table 1: 2007 Fiscal and Import Excise Changes**

### ◆ Tariff changes are tabulated below;

POLICY	DESCRIPTIONS
Lamps and lighting fittings	Increase fiscal duty from 3% to 15%
Cinematographic Film	<ul style="list-style-type: none"> <li>• Increase fiscal duty from 3% to 15%</li> <li>• Impose import excise of 10%</li> <li>• Further, the valuation rates have been increased to \$15,000 and \$20,000 for English and Hindi films respectively</li> </ul>
Statuettes and ornamental articles of ceramic	Increase fiscal duty from 3% to 15%
Luxury Items <ul style="list-style-type: none"> <li>• Perfumes and toilet waters</li> <li>• Beauty-make-up preparations</li> <li>• Hair preparations</li> <li>• Pre-shave and after shave preparations</li> <li>• Leather goods of a kind normally carried in pockets and bags</li> <li>• Leather golf bags</li> <li>• Leather case, boxes and similar containers for camera, camera lenses, binoculars etc</li> <li>• Glass jewellery and ornaments</li> <li>• Diamonds whether or not worked</li> <li>• Precious stones and semi-precious stones, other than diamonds whether or not worked</li> <li>• Synthetic or reconstructed precious or semi precious stones including dust and powder</li> <li>• Silver in different forms</li> <li>• Metals claded with gold</li> <li>• Platinum, palladium, rodium etc</li> <li>• Various precious metal clads</li> <li>• Articles of jewellery</li> <li>• Articles of goldsmith or silversmith wares</li> <li>• Imitation jewellery</li> <li>• Chain mesh- handbags, purses, wallets and similar articles</li> <li>• Fans</li> <li>• Refrigerators and freezers</li> <li>• Dishwashing machines</li> <li>• Cloth washing machines</li> <li>• Electro mechanical domestic appliance – vacuum cleaners, floor polishes, kitchen waste disposers, food grinders and mixers and other appliance</li> <li>• Shavers – Hair clippers, Hair removing appliance</li> <li>• Hair dryers</li> </ul>	Increase fiscal duty from 3% to 15%

POLICY	DESCRIPTIONS
<ul style="list-style-type: none"> <li>• Hair dressing apparatus</li> <li>• Hand drying apparatus</li> <li>• Smoothing irons</li> <li>• Microwave ovens</li> <li>• Other cookers</li> <li>• Coffee/Tea Makers</li> <li>• Toasters</li> <li>• Microphones</li> <li>• Single loud speakers</li> <li>• Multiple loud speakers</li> <li>• Other Similar goods</li> <li>• Headphones and earphones</li> <li>• Amplifiers</li> <li>• Turntables, record players, cassette players etc</li> <li>• Tape recorders</li> <li>• Video recorders</li> <li>• Television cameras</li> <li>• Video cameras</li> <li>• Reception apparatus (radio)</li> <li>• Reception apparatus (televisions)</li> <li>• Cameras</li> <li>• Sunglasses</li> <li>• Binoculars</li> <li>• Watches</li> </ul>	
Meat of sheep, fresh, chilled or frozen	Increase fiscal duty from 3% to 15%
Meat of Goat, fresh, chilled or frozen	Decrease fiscal duty from 27% to 15%
Liquid Milk	Decrease fiscal duty from 27% to 15%
Yoghurt	Decrease fiscal duty from 27% to 15%
Cheese in Retail Pack	Decrease fiscal duty from 27% to 15%
Cheese in Bulk	Decrease fiscal duty from 27% to 3%
Breakfast food Code 123	Decrease fiscal duty from 15% to 3%
Potato Chips	Specific duty rate of \$4.45 per kg will be decreased to \$3.00 per kg
Video monitors	Import excise duty of 10%
Reception apparatus for television	Import excise duty of 10%
Recorded tapes and discs	Import excise duty of 10%

**Table 2: Excise Changes**

Policy	DESCRIPTIONS
Carbonated Drinks	Removal of excise duty on carbonated drinks but 3% fiscal duty + VAT will be payable on raw materials

**ENDS**