



<b>PRACTICE STATEMENT No. 4</b>
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<b>SUBJECT</b>	<b>RISK &amp; COMPLIANCE DIVISION: TAX AGENT LODGMENT PROGRAM FOR 2002 RETURNS</b>
<b>DATE OF EFFECT</b>	1 April 2003
<b>CONFIDENTIALITY STATUS</b>	May be released to the public
<b>LEGISLATIVE REFERENCES</b>	<i>Income Tax Act 1974 Section 48</i>
<b>PRACTICE CO-ORDINATOR</b>	National Manager Debt Management Services/Lodgment Enforcement Unit

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## **INTRODUCTION**

1. This statement sets out the practice of Fiji Islands Revenue and Customs Authority (FIRCA) – Risk and Compliance Division in relation to the administration of the Tax Agent Lodgment Program for 2002 income tax returns.
2. A lodgment program is a system where tax agents lodge income tax returns progressively over a period rather than all at once in accordance with the statutory due date. The objective of a lodgment program is to smooth the workload of tax agents and the tax office, while at the same time providing Government with the revenue it needs to operate.
3. The income tax law requires returns to be lodged by a certain date. For the fiscal year ended 31 December 2002, the majority of returns must be lodged by 31 March 2003. This single lodgment date causes a spike in the workload of tax agents and Revenue Collection Operations staff (such as assessors and processing staff). This leads to pressures and inefficiencies for both tax agents and FIRCA.
4. The National Manager of the Debt Management Service/Lodgment Enforcement Unit has been delegated the power to extend, under section 48 of the *Income Tax Act 1974*, the due date for lodgment of returns from that specified in the law to a later date (so that a taxpayer will not be prosecuted during this extension period). This Practice Statement embodies an exercise of that delegated power to extend the due dates for returns prepared by registered tax agents. The extended due dates are set out in a schedule at the end of this Statement.
5. This Practice Statement only covers returns for the year ended 31 December 2002 (or equivalent period substituted under the tax law). Further Practice Statements will cover the Lodgment Program for 2003 returns and beyond.

## **DETAILS OF LODGEMENT PROGRAM**

6. The Lodgment Program only applies to taxpayers who are the clients of a tax agent as at 31 March 2003.
7. The “chargeable income” figure in the following table is the chargeable income disclosed in the return (or as subsequently amended) of the most recent year lodged.
8. The following taxpayers cannot be part of the Lodgment Program because of their nature:
  - non-resident insurance and shipping companies (TIN series 40); and
  - visiting entertainers and other special taxpayers (TIN series 27).

9. If a taxpayer uses a substituted accounting period (SAP), they can also use the Lodgment Program, but the extension period runs from the last day of their fiscal period. For example, if the table allows a 30 November 2003 lodgment date for a taxpayer with a fiscal period ending on 31 December 2002, a taxpayer with a period ending 30 June 2003 can use the Lodgment Program to lodge by 31 May 2004.
10. The date granted under the Program is the latest due date. If a taxpayer or agent wished to lodge earlier than that date they may find this more convenient.
11. If a taxpayer lodges under the Program on the basis of a certain level of chargeable income payable, that level of chargeable income may be adjusted upon assessment, audit or if further information later comes to light. In such cases late lodgment penalty will be charged for the period from the actual lodgment date to the date required for lodgment for the actual (adjusted) level of chargeable income.
12. The Lodgment Program does not apply where FIRCA requires a return in order to process an application for a tax clearance.
13. A taxpayer who is not covered by the Lodgment Program is subject to the normal statutory due date for lodgment required by the Act. Outside the Lodgment Program, Practice Statements No. 1 and 2 continue to operate. A taxpayer who is not covered by the program may request a remission of late lodgment penalty under Practice Statement No 1.; or an extension of time to lodge under Practice Statement No. 2.

**TAX AGENT LODGMENT PROGRAM**  
**DUE DATES FOR RETURNS FOR 2002 TAX YEAR**

<b>Category</b>	<b>Type of taxpayer</b>	<b>Last due date for lodgment under the program</b>
1	Individual not subject to provisional tax (salary & wage earners, or individuals with a rental loss)	The last day of the 8 <sup>th</sup> month after the statutory due date
2	Individual subject to provisional tax (sole traders, partners, beneficiaries, trustees and individuals receiving dividend, interest or rental income)	<ul style="list-style-type: none"> <li>▪ The last day of the 3<sup>rd</sup> month after the statutory due date, if chargeable income is greater than \$100,000</li> <li>▪ The last day of the 6<sup>th</sup> month after the statutory due date, if chargeable income 20,001 - \$100,000</li> <li>▪ The last day of the 8<sup>th</sup> month after the statutory due date, if a loss or chargeable income nil to \$20,000</li> </ul>
3	Public company or listed unit trust, private company or co-operative	<ul style="list-style-type: none"> <li>▪ The last day of the 3<sup>rd</sup> month after the statutory due date, if chargeable income is greater than \$50,000</li> <li>▪ The last day of the 6<sup>th</sup> month after the statutory due date, if chargeable income 20,001 - \$50,000</li> <li>▪ The last day of the 8<sup>th</sup> month after the statutory due date, if a loss or chargeable income nil to \$20,000</li> </ul>
4	Trustees	Trustee should lodge a return, in their capacity as trustee of a trust, by the same date as that trust (per the dates in Items 5-6 in this column).

Category	Type of taxpayer	Last due date for lodgment under the program
5	Deceased estates (TIN series 70)	<ul style="list-style-type: none"> <li>▪ 30 June 2003, if taxpayer's date of death occurred from 1 January 2002 to 30 June 2002</li> <li>▪ 30 September 2003, if taxpayer's date of death occurred from 1 July 2002 to 31 December 2002</li> </ul>
6	Inter vivo trusts, including trading trusts (TIN series 75)	<ul style="list-style-type: none"> <li>▪ The last day of the 3<sup>rd</sup> month after the statutory due date, if net income is greater than \$100,000</li> <li>▪ The last day of the 6<sup>th</sup> month after the statutory due date, if net income 20,001 - \$100,000</li> <li>▪ The last day of the 8<sup>th</sup> month after the statutory due date, if a loss or net income nil to \$20,000</li> </ul>
7	Partnerships	<ul style="list-style-type: none"> <li>▪ The last day of the 3<sup>rd</sup> month after the statutory due date, if net income is greater than \$100,000</li> <li>▪ The last day of the 6<sup>th</sup> month after the statutory due date, if net income 20,001 - \$100,000</li> <li>▪ The last day of the 8<sup>th</sup> month after the statutory due date, if a loss or net income nil to \$20,000</li> </ul>