



Title	ANALYSIS
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2. Rate of turnover tax	4. Savings
	5. Repeal

1987, No. 14

An Act to amend the Turnover Tax Act 1980

(19 August 1987)

1. Short Title and commencement - (1) This Act may be cited as the Turnover Tax Amendment Act 1987 and shall be read together with and deemed part of the Turnover Tax Act 1980 (hereinafter referred to as "the principal Act").

(2) Section 2 of this Act shall come into force on the first day of October 1987, and all other sections shall come into force on the day this Act is assented to.

2. Rate of turnover tax - Sections 18 to 26 (inclusive of those sections) and section 28 of the principal Act are amended by deleting the expression "6%" wherever it occurs and substituting "10%".

3. Exemption from turnover tax - The principal Act is amended by repealing section 35A (as inserted by section 9 of the Turnover Tax Amendment Act 1984-85) and substituting the following section:

"35A. Exemption from Turnover Tax - (1) The Minister may from time to time where any new industry or enterprise is established in the Cook Islands, or where any industry or enterprise in the Cook Islands is materially expanded, or where any person invests money in the Cook Islands, and the Minister is satisfied that such establishment, expansion or investment as the case may be will contribute to the economic development of the Cook Islands, he may issue a turnover tax variation certificate exempting the person or persons contributing to the establishment or expansion of that industry, or undertaking that investment, and that person shall be entitled to such exemptions in respect of turnover tax on the gross income derived, whether directly or indirectly, from that industry, enterprise or investment as are specified in the certificate.

(2) The Minister shall refer all applications for exemptions under this section to the Cabinet and shall have regard to any recommendations made by the Cabinet when issuing or declining to issue a certificate under this section.

(3) Exemptions granted by the Minister under the authority of this section may take the form of exemption of all or part of the gross income from turnover tax, reduction in the rates of turnover tax on all or part of the gross income, partial or total exemption from payment of turnover tax or may be in such other form as the Minister considers desirable and appropriate to the particular case.

(4) A certificate issued under this section shall specify the period during which any exemption is to apply, and the period as specified may from time to time be extended by the Minister by a subsequent certificate.

(5) Any certificate issued under this section may be made upon or subject to such conditions as the Minister thinks fit and may at any time be revoked by the Minister if the taxpayer fails to comply with any such conditions."

4. Savings - Without limiting any other provision of this Act it is hereby declared that every Order in Executive Council, every document made, and every thing done under section 35A of the principal Act at any time prior to the coming into force of this Act shall have been validly and effectually made and done, and every Order so made shall continue in force upon the same terms and conditions as it was originally made, as if it were made pursuant to the provisions of section 3 of this Act.

5. Repeal - Subsection (2) of section 53 of the principal Act is hereby repealed.

This Act is administered by the Department of Inland Revenue.