

**COOK ISLANDS**

**VALUE ADDED TAX AMENDMENT ACT 2001**

ANALYSIS

Title

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2. Extended meaning of term "supply"
3. Registration of persons making taxable supplies
4. Cancellation of registration
5. Calculation of tax payable or refund

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**2001, No. 2**

An Act to amend the Value Added Tax Act 1997

(11 April 2001)

**BE IT ENACTED** by the Parliament of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1. Short title and commencement - (1) This Act may be cited as the Value Added Tax Amendment Act 2001 and shall be read together with and deemed part of the Value Added Tax Act 1997 ("the principal Act").

(2) Sections 2, 3 and 4 of this Act shall come into force on 1 July 2001.

(3) Section 5 of this Act shall be deemed to have come into force on the 1st day of January 2000.

2. Extended meaning of term "supply" - Section 3(2) of the principal Act is amended by-

(a) deleting the first word "If";

(b) inserting at the beginning, the words "Except in the case of any appropriation by Parliament to any instrument of the Crown, if".

3. Registration of persons making taxable supplies - Section 12(4) of the principal Act is amended by –

(a) inserting in the second line of paragraph (b) after the word "date," the word "and";

(b) inserting after paragraph (b) the following new paragraph-

"(c) The value of supplies to be made by the person in the course of carrying on the taxable activities is likely to exceed \$15,000 for the year from the date of the application or from the specified date,"

4. Cancellation of registration - Section 13 of the principal Act is amended by inserting in subsection (4) after the words "no longer liable" and before the words "to be registered" the words "or eligible".

5. Calculation of tax payable or refund due - Section 16 of the principal Act is amended by-

(a) deleting from subsection (2)(b) the words "subsections (5), (6) and (7)" and substituting the words "subsections (5), (6), (7) and (10)";

(b) deleting from (4)(c) the words "subsections (5) and (6)" and substituting the words "subsections (5), (6) and (10)";

(c) adding after subsection (9), the following new subsection –

"(10) No deduction shall be made pursuant to paragraph (c) of subsection (4) of this section in respect of any supply where –

(a) A deduction is made pursuant to paragraph (a) of subsection (4) of this section in respect of the supply; or

(b) The supply is a sale or transfer of any leasehold or sub-leasehold interest in any land or building by any person who is not a registered person".

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This Act is administered by the Ministry of Finance and Economic Management.