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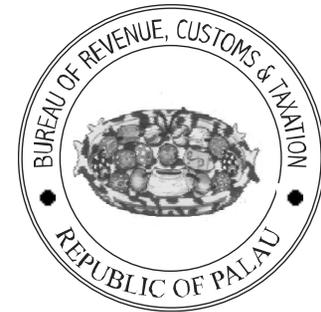
Ministry of Finance

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TAX-201

Financial Institution Quarterly Return



Division of Revenue & Taxation



Quick tips on tax help and forms.

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Financial Institution

- Every person engaging in the business of operating financial institution, shall pay tax of 4% on the net income of the financial institution.

Filing

- Effective January 2002 taxpayers are now required to file by business activity.
- Effective January 2002 all taxpayers will be required to file Financial Institution Quarterly Returns on a quarterly schedule showing income received by activity.
- When filing by activity make sure to insert correct TIN (Tax Identification Number).

- Effective January 2003, RPPL 6-26 amended 40 PNC 1002 (y) purposely eliminating deductions of salaries, bonuses paid and other compensation for personal services of non-citizen employees.

When to file a return

- Every taxpayer shall make, file and pay tax on his/her quarterly business gross revenue tax return on or before the following:

1. 1st quarter (Jan-Mar).... April 30
2. 2nd quarter (Apr-Jun)....July 30
3. 3rd quarter (Jul-Sept).....October 30
4. 4th quarter (Oct-Dec).....January 30

- Every taxpayer is required to **make and file a return even when there is no income.**

- Filing return on time without making tax payment, does not necessarily avoid late charges.

- For instance, if you file return on time but make payment 10 days after the due date, you will be assessed penalty and interest for the 10 days elapsed between the due date and the time of payment.

TIPS COMPLETING FORM TAX-201

- A.1 **Business Name and address:** Write the business name and correct address.
- B.1 **TIN:** Write Tax Identification Number.
- B.2 **Period:** Write the months of the quarter covered by this return.
- B.3 **Due date:** Write the due date of the return. Refer to When to file a Return on this leaflet.
- C.1 Write total amount of gross revenue earned by your business during the quarter.
- C.2 Write total amount of expenses during the same period.
- C.3 Subtract line C.2 from C.1 and enter the difference on this line.
- C.4 Write tax on the amount shown on line C.3 (4% X amount of C.3).
- C.5 Number of lapsed days.
- C.6 If the return is filed and paid after the due date, please complete this line.
- C.7 If the payment is received after the deadline, please complete this line.
- C.8 Add line C.4, C.6 and C.7 and enter the total here.

Additional Charges

- Pursuant to 40 PNC 1701, return and/or payment received after the due date will be assessed 10% penalty on the amount of tax due for each 30 days or fraction thereof elapsing between the due date and the date of return and or payment.
- In addition to the penalty, an interest charge of 3% will be assessed on the tax due for each 30 days or fraction thereof until the full amount has been paid.

Example 1:

Jordan' Finance filed its 1st quarter return on 5/15. Return shows tax liability of \$1,000. How much does he have to pay? The return is 15 days late. So impose penalty and interest as follows:

1. Penalty- $\$1,000 \times 10\% \times 15 / 30 = \50 .
2. Interest- $\$1,000 \times 3\% \times 15 / 30 = \15 .
3. Total due and payable is \$1,065.

Declaration (Who shall sign?)

- **Sole-proprietor:** An individual taxpayer must sign.
- **Corporation:** President, Vice-president, any of the Officers.
- **Partnership:** Anyone of the partner may sign.
- **Association/Organization:** Anyone of the officers.
- Print, sign, and date the return.
- Indicate status.