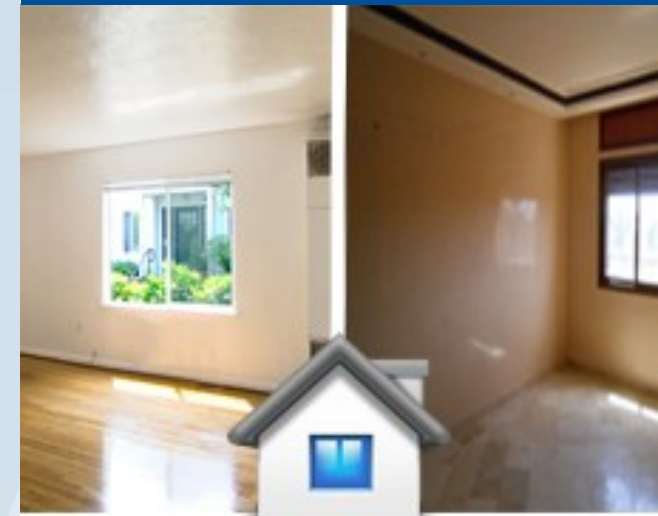


RENT TAX

Revised 2020



Vision

To be recognized as competent in customs and tax administrations

Mission

For the good of Vanuatu, collect revenue, protect our borders and facilitate legitimate trade

Values

- Effective leadership
- Result focus
- Continuous improvement & learning
- Design in quality & prevention
- Partnership improvement
- Valuing employees
- One organization

For further information contact Taxpayer Services using the details below:

Taxpayer Services Section:

Rue carnot street
PMB 9012
Port Vila, Vanuatu

Phone: +678 33091 , Email: irtps@vanuatu.gov.vu
Web: <http://customsinlandrevenue.gov.vu>

Rent tax is tax charged on rental income derived from residential property. Rent tax is administered under the Rent Tax Act No. 30 of 1986 (CAP 196).

Who is Liable to pay tax?

There are three categories of taxpayers liable to pay rent tax.

1. Natural Person(s)

Refers to individuals with rent income of more than VT 200, 000 within a six month period.

2. Limited Company

Refers to any company that owns a residential rental property.

3. Trustee

Refers to any trustee, guardian, curator, manager or any other person having the direction, control or management of any land or property on behalf of any person.

When are rent tax returns and payments due?

Rent tax is due twice a year.

- 1st Chargeable period is 1 December to 31 May. A rent tax return and payment is due on 28th June.
- 2nd Chargeable period is 1 June to 30 November. A rent tax return and payment is due on 28th December.

What is the rent tax rate?

Rent tax is charged at a rate of 12.5% on the gross income from rent

How is rent tax calculated?

Rent tax is calculated on the gross income from rent—as follows:

- **Natural Person(s)**

For natural person(s) there is a threshold of VT 200,000. This means that 12.5% will only apply to the excess over VT 200,000.

For example:

Rent Tax = (Total rent income for 6 months – Threshold) x 12.5%

E.g. = VT 300,000—200,000
= VT 100,000 * 12.5%
= VT 12,500

- **Limited Company**

The threshold of VT 200, 000 does not apply to limited companies.

Rent Tax = Total rent income for 6 months * 12.5%

E.g. = VT 300,000 * 12.5%
= VT 37,500

- Trustee as an individual

Threshold of VT 200,000 applies in this case.

Rent Tax = (Total rent income for 6 months – Threshold) x 12.5%

E.g. = VT 300,000—200,000
= VT 100,000 * 12.5%
= VT 12,500

- Trustee as a company

Rent Tax = Total rent income for 6 months * 12.5%

E.g. = VT 300,000 * 12.5%
= VT 37,500

There are penalties if you file or pay late

Penalties and/or interest will be charged as follows:

If you pay late:

- A late payment penalty of 5% of the total that should have been paid
- For each day until payment is made, late payment interest at a daily rate of 20% per annum

If you file late:

- A late filing penalty of VT30,000 (for an individual) or VT50,000 (for an entity)
- For each day that the return remains outstanding, a late filing penalty of VT3,000 (for an individual) or VT5,000 (for an entity)