

Debt options fact sheet

Paying the correct amount of tax under the law is an important community responsibility. The revenue collected through the tax system funds government spending, including community services, hospitals and schools.

This information sheet briefly describes what options you have if you owe amounts to Inland Revenue.

Take action before it becomes overdue

If you don't think that you can pay the full amount by the due date, please contact us as soon as possible. By contacting us early there may be a reduction in the penalties charged after the due date. You can pay, or at least start paying, your tax at any time before the due date. Contact us (see phone numbers over the page) and we will discuss your current circumstances with you and help you work out the best options for dealing with the amount due.

If it's already overdue

1. Payment in full

The first option to consider is whether you have the ability to pay in full. Your outstanding debt will incur late payment penalties. You may also incur non-payment penalties if you're an employer and the debt is from an unpaid *Employer monthly return*.

There are advantages in raising money from other sources if you can. Some options for funding full payment may include:

- ♦ funds in a bank account e.g. term investments
- ♦ the ability to raise and service a loan
- ♦ sufficient equity in assets to raise finance—this may be insurance policies, houses, cars, shares or business assets
- ♦ overdraft facilities
- ♦ credit cards.

2. Instalment arrangements

If you can't make payment in full you can ask for an instalment arrangement where an amount is paid off in a lump sum at a later date, or by instalments over a period of time. You can ask for an instalment arrangement at any time.

In most cases you can make an instalment arrangement with us by email. If we need to ask you to provide more information, we will not charge penalties for an agreed period of time while you obtain this information.

If we agree to an instalment arrangement with you after the due date, we will require you to sign an agreement with us. For each month that the agreed monthly payment is paid in full, we will not charge you any further penalties. If we are unable to agree to an instalment arrangement, penalties will apply from the due date. We will confirm the terms of any agreed instalment arrangement with you in writing.

If you do nothing

If you don't pay the amount due or make contact with us we can still collect the amount you owe. We can:

- ♦ deduct money directly from your wages, bank account or from a third party who owes you money (if we do this we will send you a copy of the letter we send to your employer, bank manager or third party)
- ♦ take securities over your property
- ♦ start civil legal proceedings which may lead to bankruptcy or liquidation
- ♦ start legal action for outstanding returns—this may result in a criminal conviction
- ♦ charge you court and other collection costs
- ♦ obtain judgement against you in court which will result in your name being published in the Samoa Gazette.

If you disagree with the amount we say you owe

If you've received a statement of account or letter from us requesting payment and you disagree with how we have calculated the amount owing, please call us immediately.

Default Assessments

If we've asked you to file a return and you haven't, we may estimate the amount of tax we think you should pay. This is called a default assessment and is payable as if it was an actual assessment. The default assessment remains in place until your return is filed. Its important that you file your return, as we may continue to take legal action for outstanding returns which may result in a criminal conviction.

Penalties

We will charge you a penalty for paying late.

Income tax and PAYE: An initial 10% late payment penalty will be charged on the day after the due date. We will charge a further 20% penalty if there is still an amount of unpaid tax (including penalties) six months after the due date

VAGST: An initial 10% late payment penalty will be charged on the day after the due date. If the amount owing is not paid one month after the due date, a further 2% penalty will be charged. Then every month it remains unpaid another 2% will be charged.

Remission of penalties

We may remit penalties in limited circumstances. Remission means that the penalties are legally waived and are no longer payable. You will need to put any request for remission in writing setting out why you believe the penalties should be waived.

Contacting us

You can contact us between 9am and 5pm Monday to Friday on the following numbers:

Overdue tax, returns or business licenses:	Ph 20411 ext 261 or 267
General business enquiries:	Ph 20411 ext 247
You can email us:	collections@revenue.gov.ws
Postal address:	Inland Revenue Services P O Box 1877 Apia