

## 2007/2008 Tax Filing

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ARA & ASSOCIATES CERTIFIED PUBLIC ACCOUNTANTS

Profits tax returns, property tax returns and employer's returns for the year 2007/08 have been issued on 1 April 2008. Individual tax return will be issued on 2 May 2008. Taxpayers are reminded that:

1. Property tax returns and employer's returns must be lodged within one month from the date of issue of the return.
2. Extended due dates on filing of profits tax returns for taxpayer who have tax representatives:

Accounting Date	Code	Extended Due Date
1 Apr 2007 – 30 Nov 2007	N	No extension
1 Dec 2007 – 31 Dec 2007	D	15 Aug 2008
1 Jan 2008 – 31 Mar 2008	M	15 Nov 2008 for profit cases 13 Feb 2009 for current year loss cases (See pt. 4 below)



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3. Where returns are not lodged by the extended due date, estimated assessments will be issued or penalty proceedings commenced. If a taxpayer failed, without reasonable excuse, to file returns on time or to report the chargeability to tax, penalties such as fine and additional tax may be imposed by the Inland Revenue Department ("IRD"). In some cases, criminal prosecution may be instituted against the taxpayer. Taxpayers who have persistently late filing records are almost certain to face penalty action.
4. For further extension to 13 February 2009 for "M" code taxpayers who sustained an allowable loss for the year of assessment 2007/08:
  - (a) Application must be received by the IRD NO LATER THAN 31 OCTOBER 2008. In exceptional case, requests may be lodged on or before 15 November 2008.
  - (b) This further extension will be granted subject to the condition that the profits tax return to be lodged shall show an allowable loss on the final tax computation. If assessable profits are subsequently reported, the loss extension will be regarded as void ab initio. Then, the normal extension (i.e. 15 November 2008) would still be applicable and penalties will be imposed.
5. If a taxpayer has previously been advised by IRD that profits tax return will no longer be issued annually, or if it is a commencement case, the taxpayer may commence or recommence to earn assessable profits (before the set-off of any losses brought forward). Then, he has an obligation to notify the Commissioner of his chargeability to tax within four months after the end of the basis period for the year of assessment concerned. Failure to do so in the absence of any reasonable excuse may render the assessor to institute penalty action.

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