

THE THIRTY-FOURTH LEGISLATURE OF AMERICAN SAMOA

Fourth Regular Session

Begun and held at Fagatogo, Tutuila, American Samoa
on Monday, the eleventh day of July
two thousand and sixteen

AN ACT LINKING DEDUCTIONS FOR RETIREMENT SAVINGS CONTRIBUTIONS TO THE INTERNAL REVENUE CODE, REDUCING THE MAXIMUM INCOME TAX RATE ON CORPORATIONS, AND REMOVING THE EXCEPTION FOR TAXES FROM THE OBLIGATION TO MAKE PAYMENT OF ALL FEES AND DEBTS OWING THE GOVERNMENT BEFORE THE ISSUANCE OR RENEWAL OF A BUSINESS LICENSE; AMENDING SECTIONS 11.0403, 11.0533 AND 27.0217 A.S.C.A.

Preamble:

WHEREAS, American Samoa has adopted portions of the Internal Revenue Code of 1954 as its authority for the imposition of a territorial income tax, including having frozen parts of the Internal Revenue Code as of December 31, 2000; and

WHEREAS, since 2000 the amount of contributions to retirement savings that are deductible from income have increased significantly under the Internal Revenue code, from a basic \$2,000 per individual taxpayer to \$5,500 per individual taxpayer; and

WHEREAS, it is in the best interest of business owners and individual taxpayers to encourage increased savings to supplement Social Security benefits during their retirement years; and

WHEREAS, American Samoa's maximum tax rate for corporate income taxes on income in excess of \$650,000 per annum is presently 44%; and

WHEREAS, in the interest of spurring additional private investment and business growth in American Samoa, it is appropriate to lower the maximum rate for corporate income taxes to a more reasonably competitive rate; and

WHEREAS, the Tax Office faces continued challenges in dealing with small businesses that either fail to timely file tax returns or fail to pay taxes lawfully owing to the American Samoa Government, yet these business are able to annually

renew their business licenses despite their non-filing or non-payment, due to payment of taxes not being a lawful basis for failure to renew a business license; and

WHEREAS, requiring Tax Office approval before renewing a business license will enhance compliance with the income tax laws of American Samoa and enhance revenue collections for the American Samoa Government.

BE IT ENACTED BY THE LEGISLATURE OF AMERICAN SAMOA:

Section 1. 11.0403 is amended to read:

“11.0403 Imposition of tax—Citation.

(a) The income tax and the income tax rules in force in the United States of America in effect on December 31, 2000, where not clearly inapplicable or incompatible with the intent of this section, are adopted by American Samoa, and shall be deemed to impose a separate Territorial income tax, payable to the government. These laws include, but are not limited to, the following provisions of the United States Internal Revenue Code of 1954: subtitle A; chapters 24 and 25 of subtitle C, with reference to the collection of income tax at source on wages; and all provisions of subtitle F which apply to the income tax, including provisions as to crimes, other offenses and forfeitures contained in chapter 75.

(b) Notwithstanding the provisions of section (a) above, taxpayers may contribute to retirement plans at the same rate and in the same manner that is determined from time to time by the Internal Revenue Code and rules promulgated thereunder. These rates may change in any tax year.

~~(b)~~(c) For reference purposes, this chapter and chapter 11.05, and all provisions of the United States Internal Revenue Code of 1954 adopted by reference in subsection (a), may be cited as the “Samoan Income Tax Act”.

~~(c)~~(d) In the event of a conflict between the provisions of the US Internal Revenue Code as adopted from time to time and the provisions of Title 11 Chapter 05 of the American Samoa Code Annotated, the provisions of Title 11 Chapter 05 shall take precedence.”

Sec 2. 11.0533 is amended to read:

“11.0533 Partial recoupment of corporate taxes.

(a) Section 11(b), relating to the amount of tax imposed on corporations for taxable years beginning on and after July 1, 1987, is amended to read:

11(b) Amount of tax.

The amount of tax imposed by subsection (a) shall be the sum of;

(1) 15 percent of so much of the taxable income as does not exceed \$50,000,

(2) 25 percent of so much of the taxable income as exceeds \$50,000 but does not exceed \$75,000, and

NOFOAIGA TOLUSEFULU-FA FONOFAITULAFONO AMERIKA SAMOA

Fono Tele Lona Fa

Nofoia ma usuia i Fagatogo, Tutuila, Amerika Samoa
Aso Gafua, aso sefulutasi o Iulai
Lua afe sefulu ono

O SE TULAFONO E FESOOTAI ATU MO LE TU'UESEINA O TEUGATUPE A LE RITAEA MAI TULAFONO O TUPE MAUA FAALELOTOIFALE, E FAAITIITIA AI LE MAUALULUGA O LAFOGA E MAUA MAI I PISINISI, MA AVE'ESEA AI LE FA'AGAFUA O LAFOGA MAI A'AFIAGA ESE'ESE MO LE TOTOGIINA ATU O AITALAFU MA TUPE O LOO AITALAFU AI I LE MALO AO LEI FAAFOU MA TAUAAOINA ATU LAISENE PISINISI; SUIA AI MAGA 11.0403, 11.0533 MA LE 27.0217 T.T.A.S.

Faatomuaga:

- TALUAI, ua aiaia ma fa'aaoga e Amerika Samoa se vaega o le Tulafono o Tupemaua Fa'alelotoifale o le 1954, pei ona fa'atagaina ai le faia o se Lafoga o Tupemaua mo le Teritori, e aofia ai ma taimi pe a fa'aletonu vaega o Tupemaua Fa'alelotoifale Fa'aletulafono pei ona aliali mai i le Masina o Tesema 31, 2000; ma
- TALUAI, talu mai lava le tausaga e 2000, o le aofa'iga o saofaga mo teugatupe a le Ritaea, pei ona ave'ese mai tupe maua, ua iloga lava lona aga'i lelei i luga i lalo o le Tulafono o Tupemaua Faalelotoifale, mai le \$2,000 i le \$5,500 a le tagata totogi lafoga e to'atasi; ma
- TALUAI, o se fiafiaga i e o pulea pisinisi aemaise le tagata totogi lafoga, e u'una'i malosi le fa'atupuina o teugatupe, mo fa'amanuiaga o le Saogalemua lautele mo tausaga e ritaea malolo ai; ma
- TALUAI, o le maualuga o lafoga fa'atulaga i Amerika Samoa mo tupemaua a pisinisi e mafai ona oo atu i le \$650,000 i le tausaga pei ona iai le 44%; ma
- TALUAI, o se fiafiaga tele foi lea i le fa'atupuina o nisi inivesi tuma'oti fou, ma le fa'aolaolaina o pisinisi i Amerika Samoa, ua e tatau ai ona faaitiitia le maualuga o le lafoga mo tupemaua a pisinisi, ina ia talafeagai ma le soifuaga tauivi; ma

TALUAI, o le Ofisa o Lafoga o loo fetaia'i pea ma lu'itau faigata e fa'afeagai ma pisinisi laiti, a lē o le tuai ona faila lafoga i taimi fa'atulagaina, o le lē totogia o tupe ua fa'atulafonoina o loo nofo aitalafu ai mo le Malo o Amerika Samoa, peita'i o nei pisinisi o loo mafai pea ona fa'afou a latou laisene i tausaga ta'itasi, e ui ina leai ni lafoga e faila, poo tupe e lei totogiina, talu ai o totogi o lafoga ua leai se malosi o le tulafono e toe fa'afouina ai se laisene pisinisi; ma

TALUAI, o le matafaioi tatau a le Ofisa o Lafoga le fa'amaonia o le fa'afouina o laisene pisinisi, ma fa'amalosia le fa'ataunu'uina o aiaiga uma o Tupemaua e tusa ma le tulafono a le Malo o Amerika Samoa.

IA FAATULAFONOINA E LE FONOFATIULAFONO A AMERIKA SAMOA:

Maga 1. 11.0403 ua suia e faitauina faapea:

"11.0403 Faaceina o lafoga – Faasinomaga.

(a) O le lafoga o tupe maua ma tulafono tau lafoga o tupe maua o lo'o fa'aaogaina i le Iunaitē Setete o Amerika lea na aloa'ia ia Tesema 31, 2000, i vaega e le o ma'oti lelei mai sona le tatau ai pe le talafeagai ai foi ma le mana'oga o lenei maga, ua fa'aaogaina e Amerika Samoa, ma e talitonuina o le a faaee ai se isi lafoga o tupe maua e ese mai ai a le Teritori, e totogi atu i le malo. O nei tulafono e aofia ai, ae le faatapulaa ai, aiaiga nei o le Tulafono o Tupemaua Faalelotoifale (IRC) a le Iunaitē Setete o le 1954; soaulutala A; mataupu 24 ma le 25 o le soaulutala I, e faatatau i le aoina o lafoga mai totogi o tagata faigaluega; ma aiaiga uma o le soaulutala F e faatatau i lafoga o tupe maua, e aofia ai aiaiga e faatatau i solitulafono, o isi lava moliaga ma isi faasalaga o loo i totonu o le mataupu 75.

(e) E ui lava i aiaiga o le vaega (a) o loo ta'ua i luga, a'o tagata totogi lafoga uma e ag ona 'auai ma tofu sao i Fuafuaga a le Ritaea, ma usita'ia le aofa'i o si'itaga ua fa'atulaga mo lea taimi i lea taimi e le Ofisa Fa'atulafonoina o Tupemaua fa'alelotoifale, aemaise o fa'asaialauga fa'aletulafono ua fa'amauina. O ia si'itaga e mafai ona suia i tausaga mo lafoga.

(e)(i) Mo ala o faamaumauga/faasinomaga, o lenei mataupu ma le mataupu 11.05, ma aiaiga uma o Tulafono o Tupemaua Faalotoifale a le Iunaitē Setete o le 1954 o loo fa'aaogaina e ala i le faasinomaga o loo i le soamaga (a), e mafai ona ta'ua aloa'ia lena o le "Tulafono o Lafoga o Tupe maua a Samoa".

(i)(o) I le tulaga o se fe'ese'esea'iga i le va o aiaiga o Tusi Tulafono a le Vaega o Tupe Maua a le Iunaitē Setete (IRC) e pei ona fa'aaogaina mai lea taimi i lea taimi faatasi ma aiaiga o le Ulutala 11 Mataupu 05 o le Tusi Tulafono a Amerika Samoa, o le a fa'aaogaina aiaiga o le tulafono lea a Amerika Samoa."

Maga 2. 11.0533 ua suia e faitauina faapea:

"11.0533 Vaega tupe totoe totogi o lafoga pisinisi tetele.

(a) Maga 11 (e), fa'asino i le aofa'i o lafoga fa'ae'e i fa'alapotopotoga mo tausaga fa'alafogaina amata i ma pe a mavae Iulai 1, 1987, ua suia e faitauina:

11(e) Aofa'i o le lafoga.

O le aofa'i o lafoga fa'ae'e mai soamaga (a) ia fai ma aofa'iga o le;

(1) 15 pasene o le sili atu o le tupe maua fa'alafogaina e pei ona faia e le silia i le \$50,000,

(2) 25 pasene o le sili atu o le tupe maua fa'alafogaina e pei ona faia i le \$50,000 peita'i e le silia i le \$75,000,

(3) 34 pasene o le sili atu o le tupe maua fa'alafogaina e sili atu i le \$75,000, peita'i e le silia i le \$650,000, ma

~~(4) 44 pasene o le sili atu o le tupe maua fa'alafogaina e sili atu i le \$650,000.~~

I le tulaga o se fa'alapotopotoga e iai tupe maua fa'alafogaina i tupe totoe e \$100,000 mo so'o se tausaga fa'alafogaina, o le aofa'i o lafoga ua iloiloia i lalo o le fuaiupu e mulimuli mai mo lea tausaga fa'alafogaina ia si'iina mai le numera itiiti e (a) 5 pasene o lea tupe totoe, po'o (e) \$11,750."

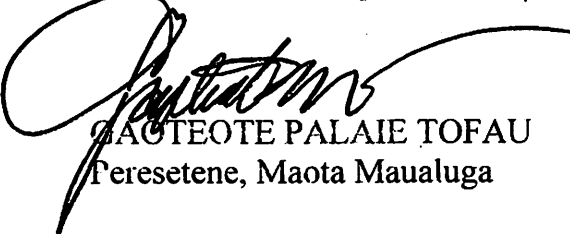
Maga 3. 27.0217 ua suia e faitauina faapea:


"27.0217 Totogia o tupe uma ma aitalafu o uluai manaoga o le tuuina atu o laisene.

E leai se laisene e mafai ona tuuina atu vagana ua totogia e le tagata talosaga tupe e tatau ona totogia ma aitalafu, ~~vagana ai lafoga~~, o loo aitalafu ai o ia i le malō. O ia tupe ma aitalafu e ao ona faasino manino i le faagaioiga o le pisinisi. O leni puipuiga o le a le fa'aaogaina mo le aoina o tupe totogi po o aitalafu e nofo aitalafu ai i le malō mo ni uiga e ese mai le fa'agaioiga o le pisinisi mo le laisene ua tuuina atu."

Maga 4. Aso e taualoa ai.

Ina ia tusa ai ma le Vaega II, Maga 19 o le Faavae Toe Teuteu o Amerika Samoa, o le a taualoa leni pili i totonu o le 60 aso talu ona mae'a le tauaofiaga sa pasia ai.


GAGTEOTE PALAIE TOFAU
Peresetene, Maota Maualuga


SAVALI TALAVOU ALE
Fofoga Fetala'i, Maota o Sui

Hereby Approved this 16th day of September 20


Governor Of American Samoa