

BILL NO. 11 OF 2023

A BILL

FOR AN ACT TO AMEND THE WATER RESOURCE TAX ACT 2008

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

1.—(1) This Act may be cited as the Water Resource Tax (Budget Amendment) Act 2023.

(2) This Act comes into force on 1 August 2023.

(3) In this Act, the Water Resource Tax Act 2008 is referred to as the “Principal Act”.

Section 2 amended

2. Section 2 of the Principal Act is amended by adding a new definition after the definition of “proper officer” as follows—

““Water Extraction and Bottling Business” means business activities relating to the bottling of extracted water from its natural state, including artesian water, natural mineral and spring water, from an underground water table or deposit and emerging from a spring tapped at one or more natural or bore exits, including all activities related to any of the aforementioned activities”

Section 5 amended

- 3.** Section 5(1) of the Principal Act is deleted and replaced with—

“(1) Subject to the provisions of this Act, a tax at the rate or rates prescribed by regulations made under this Act shall be levied upon the extraction of all water by a Water Extraction and Bottling Business regardless of how the water is used.”

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June 2023

WATER RESOURCE TAX (BUDGET AMENDMENT) BILL 2023

EXPLANATORY NOTE

(This note is not part of the Bill and is intended only to indicate its general effect)

1.0 BACKGROUND

- 1.1 The Water Resource Tax (Budget Amendment) Bill 2023 (**‘Bill’**) seeks to amend the Water Resource Tax Act 2008 (**‘Act’**).
- 1.2 The amendment is made in connection with the Income Tax (Water Extraction Industry Incentive) Regulations 2023 (**‘ITA WRT Incentive Regulation’**) that will be effective as of the same date as the Bill. This Bill and the ITA WRT Incentive Regulation seek to promote the water extraction business by exempting income attributable to activities that are subject to the Water Resource Tax (**‘WRT’**) from income tax under the Income Tax Act 2015 (**‘ITA’**) and further by coordinating the WRT and the ITA.
- 1.3 This Bill increases the rate of tax that applies under the Act for persons or businesses that extract 10,000,000 litres of water or more in a month.

2.0 CLAUSES

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2023.
- 2.2 Clause 2 of the Bill amends the Act by limiting its application to persons or businesses that are engaged in a “Water Extraction and Bottling Business” as defined Clause 2 of the Bill. Taxpayers that are not engaged in a Water Extraction and Bottling Business shall not be subject to the Act.
- 2.3 Clause 3 of the Bill clarifies that the WRT applies to all water extracted by taxpayers engaged in a Water Extraction and Bottling Business regardless of its use.

3.0 MINISTERIAL RESPONSIBILITY

- 3.1 The Act comes under the responsibility of the Minister responsible for finance.

S. TURAGA
Attorney-General