BILL NO. 15 OF 2026

A BILL

FOR AN ACT TO AMEND THE INCOME TAX ACT 2015

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

1.—(1) This Act may be cited as the Income Tax (Budget Amendment) (No. 2) Act 2026.

(2) This Act comes into force on 1 August 2026.

(3) In this Act, the Income Tax Act 2015 is referred to as the "Principal Act".

Section 25 amended

2. Section 25 of the Principal Act is amended after subsection (21) by inserting the following new subsection—

> "(22) A person is allowed 150% deduction of the expenditure incurred within a tax year on the establishment of a new sports facility. ".

Section 30 amended

3. Section 30(3) of the Principal Act is amended by—

(a) in paragraph *(a)*, deleting "and";

(b) in paragraph *(b)*, deleting "." and substituting "; and"; and

(c) after paragraph *(b)*, inserting the following new paragraph—

"*(c)* for more than 15 years after the tax year in which the loss was incurred if the loss was incurred on or after 1 January 2019, for a company in the aviation sector that offers international flights.".

Section 40 amended

4. Section 40 of the Principal Act is amended after subsection (7) by inserting the following new subsection—

"(7A) Any inventory or trading stock write off exceeding the value of $250,000 requires the prior approval of the CEO.".

Section 67 amended

5. Section 67(1) of the Principal Act is amended after paragraph *(h)* by inserting the following new paragraph—

"*(i)* capital gain made by a person through equity crowd funding, small offers or innovation hub companies under the Access to Business Funding Act 2025.".

Section 88 amended

6. Section 88 of the Principal Act is amended by—

(a) in subsection (3)*(c)*, deleting "who have the same percentage of ownership"; and

(b) after subsection (3), inserting the following new subsection—

"(3A) Notwithstanding subsections (2A) to (3), the Chief Executive Officer may approve a deferral of tax payable where a company intends to undergo a reorganisation to restructure business but the minority shareholder of the company holds not more than 5% of the shares and does not meet the shareholding requirements under this section.".

Section 121 amended

7. Section 121 of the Principal Act is amended by—

(a) renumbering section 121 as section 121(1); and

(b) after subsection (1), inserting the following new subsection—

"(2) A person required to submit a Provisional Tax summary must include details of all contractors engaged during the reporting period including those who hold a valid Certificate of Exemption, and must report the gross payments made to each contractor whether or not tax has been withheld.".

Section 130 amended

8. Section 130 of the Principal Act is amended after subsection (3) by inserting the following new subsection—

"(4) A person must inform the Service when a proposed transfer of the person's capital asset does not occur or is not complete.".

Office of the Attorney-General
Suvavou House
Suva

June 2026

INCOME TAX (BUDGET AMENDMENT) (NO. 2) BILL 2026

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 Income Tax (Budget Amendment) (No.2) Bill 2026 (**'Bill'**) seeks to amend the Income Tax Act 2015 (**'Act'**) to provide for the 2026-2027 budgetary policy changes.

2.0 CLAUSES

2.1 Clause 1 of the Bill (**'Bill'**) provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2026.

2.2 Clause 2 of the Bill amends section 25 of the Act to allow for a tax incentive for a person who establishes a new sports facility. The tax incentive is to allow the person a 150% tax deduction for establishing the new sports facility.

2.3 Clause 3 of the Bill amends section 30 of the Act to allow any loss incurred by a company in the aviation sector to be carried forward for a maximum of 15 years.

2.4 Clause 4 of the Bill amends section 40 of the Act to provide that any inventory or trading stock write off that exceeds the value of $250,000 requires the Chief Executive Officer's prior approval.

2.5 Clause 5 of the Bill amends section 67 of the Act to exempt a person who has made a capital gain through equity crowd funding, small offers or innovation hub companies from Capital Gains Tax.

2.6 Clause 6 of the Bill amends section 88 of the Act to empower the Chief Executive Officer to allow for a deferral of payment of tax for companies under re-organisation where the shareholding requirements under section 88 are not met i.e. where the minority shares held are not more than 5%.

2.7 Clause 7 of the Bill amends section 121 of the Act to require a person who provides a monthly Provisional Tax summary to the Fiji Revenue Customs Service (**'FRCS'**), to also include in the summary all contractors engaged whether or not tax is withheld.

2.8 Clause 8 of the Bill amends section 130 of the Act to require a person to inform FRCS where a proposed transfer of the person's capital asset for which a Capital Gains Certificate is issued, does not occur or is not complete.

3.0 MINISTERIAL RESPONSIBILITY

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

S. D. TURAGA
Acting Attorney-General

Price: 57c

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Official Printer Since 2022

15/A/26—170