



## Work out provisional tax using these guidelines

### Income tax dates

1st March	Individuals personal income tax returns due, example, 31 December 2025
1 May	<ul style="list-style-type: none"><li>• Date non individual returns due (Companies, P/ships/Trustee Returns/others)</li><li>• Date 1<sup>st</sup> instalment provisional tax due</li></ul>
1 June	<ul style="list-style-type: none"><li>• Final date re-estimate provisional tax to be filed for 1<sup>st</sup> instalment</li></ul>
1 October	<ul style="list-style-type: none"><li>• Due date payment terminal tax payable for 31 December 2024 income tax return</li></ul>
1 November	<ul style="list-style-type: none"><li>• Due date 2<sup>nd</sup> instalment of provisional tax due</li><li>• Final date for terminal tax</li></ul>
1 December	<ul style="list-style-type: none"><li>• Final date re-estimate 2<sup>nd</sup> instalment</li></ul>

#### **1. Add up all the taxable income you expect to receive next year**

This includes income that will be taxable before you get paid like salary before wages. Use the amount before tax.

#### **2. Work out the tax on this amount**

You can use our tax on annual calculator to work out how much Terminal Tax you'll pay.



Work out tax on your yearly income

### **3. Make your deductions**

Take away any PAYE and other income tax credits you'll be entitled to. The remaining amount is your estimated terminal income tax. This is your provisional tax for the year.

### **4. The big picture,**

if your tax year runs for 12 months from 1 January 2025 to 31 December 2025, your personal income tax return will become due by 1 March 2026. If you have tax to pay and the tax is \$5,000 or more you must pay this by no later than 1 November 2026. Twenty-three months would have elapsed before your terminal tax is paid, far too long compare with salary and wages which is tax as you earn, (PAYE) and unfair to expect employees to pay their taxes early and the rest pay 23 months later.

Provisional tax was introduced so the end of year terminal tax 2025 (payable 1 Nov 2026) is paid in June 2025 and Dec 2025.

### **5. Tell us what you've estimated**

You'll need to tell us how much terminal tax you expect to pay. You can estimate:



- Using these guidelines, on our website, <http://www/mfem/tax/>
- Writing to us, Revenue Management Division, Income Tax Team, Box 120, Rarotonga, Cook Islands.
- Email: [tax.info@cookislands.gov.ck](mailto:tax.info@cookislands.gov.ck)
- Calling us, refer to the Income Tax Team: Tel 29365

You can estimate your terminal tax as many times as you like up to your final instalment due date.

## **6. Work out your provisional tax instalments after reading the big picture in paragraph 4& 5 above.**

If you're estimating before your 1<sup>st</sup> due date, then divide your terminal tax payable by 2. If you have a standard balance date of 31 December, you 2 equal instalments will be due on 1 May (last day 1 Jun) and 1 November (last day 1 December).

If you have a balance date other than 31 December, use the table below to work out when your provisional tax instalment will be due.

<b>Summary of Return and Payment Dates</b>		<b>Provisional tax</b>	
Month and Balance dates	Furnish tax return by	Last day for payment 1 <sup>st</sup> instalment	2 <sup>nd</sup> Instalment
December	1 <sup>st</sup> May	1 <sup>st</sup> June	1 <sup>st</sup> December
January	1 <sup>st</sup> June	1 <sup>st</sup> July	1 <sup>st</sup> January
February	1 <sup>st</sup> July	1 <sup>st</sup> August	1 <sup>st</sup> February
March	1 <sup>st</sup> August	1 <sup>st</sup> September	1 <sup>st</sup> March
April	1 <sup>st</sup> September	1 <sup>st</sup> October	1 <sup>st</sup> April



May	1 <sup>st</sup> October	1 <sup>st</sup> November	1 <sup>st</sup> May
June	1 <sup>st</sup> November	1 <sup>st</sup> December	1 <sup>st</sup> June
July	1 <sup>st</sup> December	1 <sup>st</sup> January	1 <sup>st</sup> July
August	1 <sup>st</sup> January	1 <sup>st</sup> February	1 <sup>st</sup> August
September	1 <sup>st</sup> February	1 <sup>st</sup> March	1 <sup>st</sup> September
October	1 <sup>st</sup> March	1 <sup>st</sup> April	1 <sup>st</sup> October
November	1 <sup>st</sup> April	1 <sup>st</sup> May	1 November
2025 PT is \$35,220.18			
1 <sup>st</sup> instalment of PT	Pay by	1st Jun 2025	\$17,610.09
2 <sup>nd</sup> instalment of PT	Pay by	1st Dec 2025	\$17,610.09
2025 Terminal tax	Pay by (Refund due)	1 <sup>st</sup> Nov 2025 (transfer to 1 <sup>st</sup> instalment 2026	(\$3,250.00)

## Provisional tax options

### Income tax dates

### Income tax dates

1 June	<ul style="list-style-type: none"><li>Final date re-estimate provisional tax to be filed for 1<sup>st</sup> instalment</li></ul>
1 December	<ul style="list-style-type: none"><li>Final date re-estimate 2<sup>nd</sup> instalment</li></ul>

You can re-estimate as many time as you wish up to the final date of each instalment date.

There are two options available if your income is increasing over the next year

### Standard Option

This standard option is useful in your income is steady or increasing over the next year.



## Estimated option

The estimated option is useful if you know your income will decrease over the next year.

### 7. Work out tax on your yearly income

Use this table to calculate what your basic yearly tax for the year for 2020 and future (subject to tax changes) will be. It will not include any tax credits you may be entitled to. It also will not include any tax you've already paid through your salary and wages.

**a. Gather your information**

**b. You'll need your total taxable income**

**c. Enter your details**

**d. Follow the steps in the table as a guide. You can save your results in your files as a record.**

**e. Working out the tax on annual taxable income**

Tax on income calculator - Individuals		
Income	2018 tax rates	2020 tax rates
Under \$11,000	No tax to pay	No tax to pay
Between (11,000-\$30,000)	Pay 17%	Pay 17%
Between (30,000 -\$80,000)	Pay 27%	Pay 27%
Over \$80,000	Pay 30%	Pay 30%



Tax on income calculator – non individuals		
Resident Company	2020 tax rates	20 percent
Non Resident Company	2020 tax rate	28 percent
Trustee Returns and others	2020 tax rates	30 percent

8. Here you can use the table to work out you tax information for individual people, companies, trusts and others. If you are filing in an income tax return, once you've worked out you total taxable income you can use the table to calculate the tax on the taxable income.
9. When you have completed the provisional tax information, the provisional tax form, on our website, <http://www.mfem/tax/formsandguides/> must be completed.
10. Send to us your provisional tax form and we will do the take care of the rest for you.
11. Your bank information, is essential, if you want us to put your refund into your bank account include the information and let us make the direct credit when the refund is approved.