



Queen's Representative

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	<i>“Temporary Tax Credit Measures”</i>	

**An Act to mitigate the economic hardship resulting from measures taken to protect the Cook Islands from COVID-19 (Coronavirus Disease 2019) by providing a tax credit for small short-term accommodation providers for the 2019 income year.**

(30 November 2020)

The Parliament of the Cook Islands enacts as follows—

- 1 Title**  
This Act is the Income Tax (Tax Credit for Small Short-term Accommodation Providers) Amendment Act 2020.
- 2 Commencement**  
This Act comes into force on the day after the date it is assented to by the Queen's Representative.
- 3 Principal Act**  
This Act amends the Income Tax Act 1997 (the **principal Act**).
- 4 New section 186A and cross-heading inserted**  
After section 186, insert:

*“Temporary Tax Credit Measures”*

**“186A Tax credit for small short-term accommodation providers**

- “(1)** A small short-term accommodation provider is entitled to a credit against the income tax payable by the provider on the income for the 2019 income year.
- “(2)** The tax credit applies to the 2019 income year even though the income tax for that year was due for payment on 1 October 2020.

- “(3) The credit is limited to the lesser of the following amounts:
  - “(a) \$2,000;
  - “(b) the income tax payable on the income from providing the accommodation.
- “(4) If a property is jointly owned, the tax credit must be allocated in proportion to the income returned to each owner from providing the accommodation.
- “(5) The tax credit is subject to the following restrictions:
  - “(a) it is available only in respect of income tax payable for the 2019 income year;
  - “(b) it cannot be transferred to another taxpayer;
  - “(c) it is not available as a payment or refund to the taxpayer;
  - “(d) any unused portion of the tax credit cannot be claimed in subsequent income years.
- “(6) A person claiming the tax credit must complete an application form provided by the Collector of Inland Revenue for the purpose.
- “(7) In this section, **small short-term accommodation provider** means a person who at the end of the 2019 income year provided accommodation that met both of the following criteria:
  - “(a) the provider provided accommodation for 10 or fewer people in total, whether in 1 or multiple properties;
  - “(b) the accommodation was—
    - “(i) short term accommodation offered at a nightly rate; or
    - “(ii) holiday accommodation.”

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This Act is administered by the Revenue Management Division—Ministry of Finance and Economic Management.

Printed under the authority of the Cook Islands Parliament—2020.

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