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Republic of Somaliland
Ministry of Finance Development
Inland Revenue Department



BUSINESS INCOME TAX RETURN (LARGE TAXPAYERS)

Year of Income	Starting...1/1/ 2019.... Ending.....31/12/2019	Tax Period	2019
Reporting Period	1st January to 30th April	Due Date	30/04/2020 YYYY

Section A: Taxpayer's Details

Taxpayer's Name				TIN	
Trade Name (if different to Taxpayer's Name)					
Business Address (District)			Village		
Mobile Phone Number			Email Address		

Section B: Computation of Taxable Income from Business		Amount in SLSh -000-
1	Gross sales	
2	Opening inventory (raw materials, goods in process, finished goods)	
3	Purchases/imports and goods manufactured	
4	Closing inventory (raw materials, goods in process, finished goods)	
5	Cost of sales (line 2 + 3 – 4)	
6	Gross profit (line 1 - 5)	
7	Property or investment income (excluding rental income received by individuals in business)	
8	Other income	
9	Total income (line 6 + 7 + 8)	
10	Salaries or wages, benefits and employer contribution expenses	
11	Advertising expenses	
12	Bad debts	
13	Delivery, freight and messenger service expenses	
14	Insurance	
15	Bank charges and other expenses related to debt obligations	
16	Repairs and maintenance expenses	
17	Management and administration fees (corporate businesses only)	
18	Stationery and office supplies expenses	
19	Legal & accounting expenses	
20	Deductible taxes and trade licences	
21	Rent and lease expenses (corporate businesses only)	
22	Travel and training expenses	
23	Telephone, electricity and water	
24	Meals, refreshment, and entertainment expenditure	
25	Depreciation of physical assets	
26	Scientific research expenditure	

27	Investment expenses	
28	Other expenses not specified above (attach details if more than 10% of total expenses)	
29	Total expenses (add lines 10 up to 28)	
30	Net income (line 9 - 29)	
31	Addback of non-deductible expenses	
32	Loss carried forward from previous tax period	
33	Taxable income from Business (line 30 + 31 - 32)	
34	Business Income Tax (line 33 x 10 %)	
35	Foreign tax credit	
36	Net tax due (line 34 – 35)	
37	Administration Tax (2% of line 33)	
38	Stamp Tax (2.5% of line 34 + 37)	
39	Total tax due (line 36 + 37 + 38)	

Section C: Attachments and Declaration by the Taxpayer or their Representative

Attachments submitted	Balance Sheet <input type="checkbox"/>	Statement of income & expenditure <input type="checkbox"/>	Other <input type="checkbox"/>
I hereby declare that the information given on this form and accompanying accounts and documents are accurate, complete and contain a full and true statement of my income to the best of my knowledge and belief.			
Name of taxpayer or representative		Role	
Signature and Stamp		Date	
Representative's telephone number		Representative's email address	

Section D: Official Use - Tax Administration

Note – All documents received together with the tax declaration form are to be kept in the taxpayer's physical file

Returns Reception Unit

Tax Centre		GR Number (Revenue Receipt)								
Penal Tax (if applicable)		Late payment fee (if applicable)								
Total tax due (Penal tax + Late payment fee + line 40)			Date							
Name of Returns Reception Officer			Signature and Stamp							

Guidelines for completing business income tax return by large taxpayers

This form is required to be completed by the approximate 175 taxpayers that have been identified by the Inland Revenue Department as “large” taxpayers, whether they are run by corporates (including partnerships) or non-incorporated sole traders

Section A: Taxpayer's details

Taxpayer's name: Provide your name, the same as the one provided during your TIN registration

TIN: Record in this box the Tax Identification Number which is the single identifying number issued to you for tax reporting purposes by the tax administration

Trade name: If your business has a trade name, and that trade name is different than your taxpayer name, enter the trade name in the box provided

Address: Enter in this box the physical address you provided during tax registration or your current address if the one provided has changed.

Village: Enter in this box the name of your village where you are located

Mobile telephone number: Enter in this box the active and official telephone number where the tax administration can contact you if needed

E-mail address: Enter in this panel, the official e-mail address you provided during your tax registration or the current e-mail address if changed

Section B: Computation of taxable income from business

Note: Complete whichever of the boxes in Section B are relevant to your business. Most information should be able to be taken from your statement of income and expenditure/profit and loss account of your financial statements

1 - **Gross sales:** Enter in this box the total amount of your income from sales, commissions and fees before deduction of any expenses. The amount (and other amounts on the return form) should be shown in Somaliland shillings (thousands)

2 - **Opening inventory:** Enter in this box the total value of raw materials, goods in process and finished goods/trading stock on hand as at 1 January 2019

3 - **Purchases/imports and goods manufactured:** Enter in this box the total amount spent on purchases and imports of raw materials and trading stock and the value of goods manufactured

4 - **Closing inventory:** Enter in this box the total value of raw materials, goods in process and finished goods/trading stock on hand as at 31 December 2019

5 - **Cost of sales:** Enter in this box the cost of sales (being line 2 + line 3 – line 4)

6 - **Gross profit:** Enter in this box your gross profit (being line 1 – line 5). If you have a gross loss (line 5 is greater than line 1) enter the amount of the gross loss in brackets

7 - **Property or investment income:** Enter in this box the amount of any income you have received from lease or rental of property and from investments (commissions or similar charges in relation to debt obligations, dividends and royalties). If a loss, enter the amount in brackets. **Note:** If you are an individual in business, any income you receive from lease or rental of property should NOT be included here, but should be included in the separate Rental Income Tax return form

8 - **Other income:** Enter in this box the amount of any other income received e.g. foreign or repatriated income, gains arising from the disposal of assets, foreign currency debt gains (other than amounts that are already included in lines 1 and 7 above)

9 - **Total income:** Enter in this box the total amount of income received (being lines 6 + 7 + 8). Any losses (negative amounts) should be deducted

10 - **Salaries or wages, benefits and employer contribution expenses:** Enter in this box the total amount spent on salaries, wages, benefits/allowances and employer contributions in respect of your employees. Do not include any employment income tax/payroll tax paid

11 - **Advertising expenses:** Enter in this box the total amount spent on advertising related to your business

- 12 - **Bad debts:** Enter in this box the total amount of bad debts written off as uncollectable during the year
- 13 - **Delivery, freight and messenger service expenses:** Enter in this box the total amount spent on delivery and freight of goods and on messenger services
- 14 - **Insurance:** Enter in this box the total amount spent on insurance premiums related to your business
- 15 - **Bank charges and debt obligation expenses:** Enter in this box the total amount spent on bank charges and other expenses relating to business debt obligations
- 16 - **Repairs and maintenance expenses:** Enter in this box the total amount spent on repair and maintenance of business assets
- 17 - **Management and administration fees:** Enter in this box the total amount spent on management and administration fees including charges from the headquarters of a company group to its subsidiaries. Not applicable for individuals in business
- 18 - **Stationery and office supplies expenses:** Enter in this box the total amount spent on stationery and office supplies for use in the business
- 19 - **Legal & accounting expenses:** Enter in this box the total amount spent on legal & accounting expenses related to your business
- 20 - **Deductible taxes and trade licences:** Enter in this box the total amount of taxes and trade licence fees that are deductible for income tax purposes. Any income taxes paid to Somaliland or foreign governments and any penalties or fines charged in relation to tax offences are not deductible
- 21 - **Rent and lease expenses:** Enter in this box the total amount spent on the rent or lease of property or assets used in your business. Not applicable for individuals in business
- 22 - **Travel and training expenses:** Enter in this box the total amount spent on travel expenses including training/convention expenses related to your business
- 23 - **Telephone, electricity and water:** Enter in this box the total amount spent on telephone, electricity and water charges that relate to your business
- 24 - **Meals, refreshment and entertainment expenditure:** Enter in this box the total amount spent on meals, refreshment and entertainment that relate to your business
- 25 - **Depreciation of physical assets:** Enter in this box the amount of depreciation claimed on physical assets used in your business. Provide details in the Appendix attached to this form. Claims for assets used both in your business and privately should be apportioned on the basis of business use
- 26 - **Scientific research expenditure:** Enter in this box the amount spent on scientific research that is related to your business
- 27 - **Investment expenses:** Enter in this box the total amount spent relating to your investments but not including capital outlays invested
- 28 - **Other expenses:** Enter in this box the total amount of any cash donations made to a charitable organisation and all other expenses e.g. amortisation of intangible assets, mineral exploration expenses, losses arising from the disposal of assets, foreign currency debt losses (other than those included in the above fields) that are related to your business. Attach to your return details of any charitable donations made
- 29 - **Total expenses:** Enter in this box the total of your expenses that will be deducted from your total income to calculate your net income (being the total of all of lines 10 to 28)
- 30 - **Net income:** Enter in this box your net income (being line 9 – line 29)
- 31 - **Non-deductible expenses:** Enter in this box the amount of any expenses that are included in line 29 that are not deductible for business income tax purposes (e.g. they are personal expenses not connected with the business or they are capital expenses that are not deductible or are only partially deductible) that need to be added back to calculate your taxable income
- 32 - **Loss carried forward:** Enter in this box the amount of any tax loss carried forward from your 2018 tax year. Attach to your return details of any tax loss carried forward
- 33 - **Taxable income from business:** Enter in this box your taxable income (being line 30 + line 31 – line 32)

34 - Business income tax payable: Enter in this box 10% of taxable business income (10% of line 33) as business income tax payable for the year. If taxable income from business was a loss, enter "NIL"

35 - Foreign tax credit: Enter in this box the total amount of tax paid to a foreign country in relation to income included in this return. Convert the amount paid to Somaliland shillings (thousands) using the Central Bank of Somaliland mid-exchange rate on the date of the payment. Attach to your return details of any foreign tax charged e.g. tax assessment, withholding certificate or similar document received from foreign country

36 – Net tax due: Enter in this box your net tax due (being line 34 – line 35)

37 - Administration tax: Enter in this box 2% of your taxable income (2% of line 33)

38 - Stamp tax: Enter in this box 2.5% of corporate income tax/business profits tax payable plus administration tax (2.5% of the total of lines 34 + 37)

39 - Total tax due: Enter in this box total tax due for the year (being lines 36 + 37 + 38). If the amount is negative, you may be entitled to a refund

Section C: Attachments and Declaration by the Taxpayer or their Representative

Attachments submitted: Taxpayers are required to attach to their business income tax form a copy of their financial statements including a Balance Sheet (Statement of Assets and Liabilities) and a Statement of Income and Expenditure (Profit and Loss Account). Taxpayers are required to tick the appropriate boxes to indicate the attachments they have submitted with their return form. The "declaration" boxes that follow apply to the information shown on the return form and on the financial statement attachments

Full name of taxpayer/tax agent: Enter in this box full name of the taxpayer or his/her representative

Role: Enter in this box whether the declaration is being signed by the taxpayer or his/her representative

Signature & stamp: Enter in this box signature of taxpayer/representative & stamp

Date: Enter in this box the date the return was signed by the taxpayer or representative

Representative's telephone number: Enter in this box the contact telephone number of the taxpayer's representative (if applicable)

Representative's email address: Enter in this box the email address of the taxpayer's representative (if applicable)

Section D: Official use only (Tax administration)

Tax Centre: Enter in this box the tax centre (IRD office) that is handling the business income tax file

General receipt (GR) number: Enter in this box the receipt number in space provided.

Penal tax: Enter in this box amount of penal tax due to the tax violation as established.

Late payment fee: Enter in this box the amount of late payment fee charged on tax unpaid.

Total tax due: Enter in this box total tax due (Penal tax + late payment fee + total tax due).

Date: Enter in this box the date the return was filed by the taxpayer or representative.

Name of returns reception officer: Enter in this box full name of returns reception officer.

Signature and Stamp: In this box sign and stamp the business income tax form

- **40%** - computers and data handling equipment

- **30%** - Buses with a seating capacity of 30 or more passengers; goods vehicles designed to carry or pull loads of 7 tonnes or more; specialised trucks; tractors; trailers and trailer-mounted containers; plant and machinery used in farming, manufacturing or mining operations

Use straight-line depreciation rate of **5%** for Industrial Buildings