

TAXATION



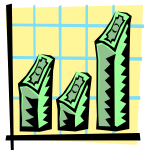
The December quarter 2009 shows that Gross Turnover was \$139.6 million for all industries in the Cook Islands. This is a decrease of 8.8% when compared to the previous quarter and an increase of 2.6% when compared to the December quarter 2008.



Total Value Added Tax (VAT) collected on Sales and Income was \$13.8 million for the Cook Islands in this quarter. The Wholesale & Retail Trade industry continued to contribute the highest VAT collected on Sales and Income with 39.4%, followed by Hotels & Motels with 17.1% and Transport & Communication with 14.3% and Mining, Manufacturing & Electricity with 9.4%.

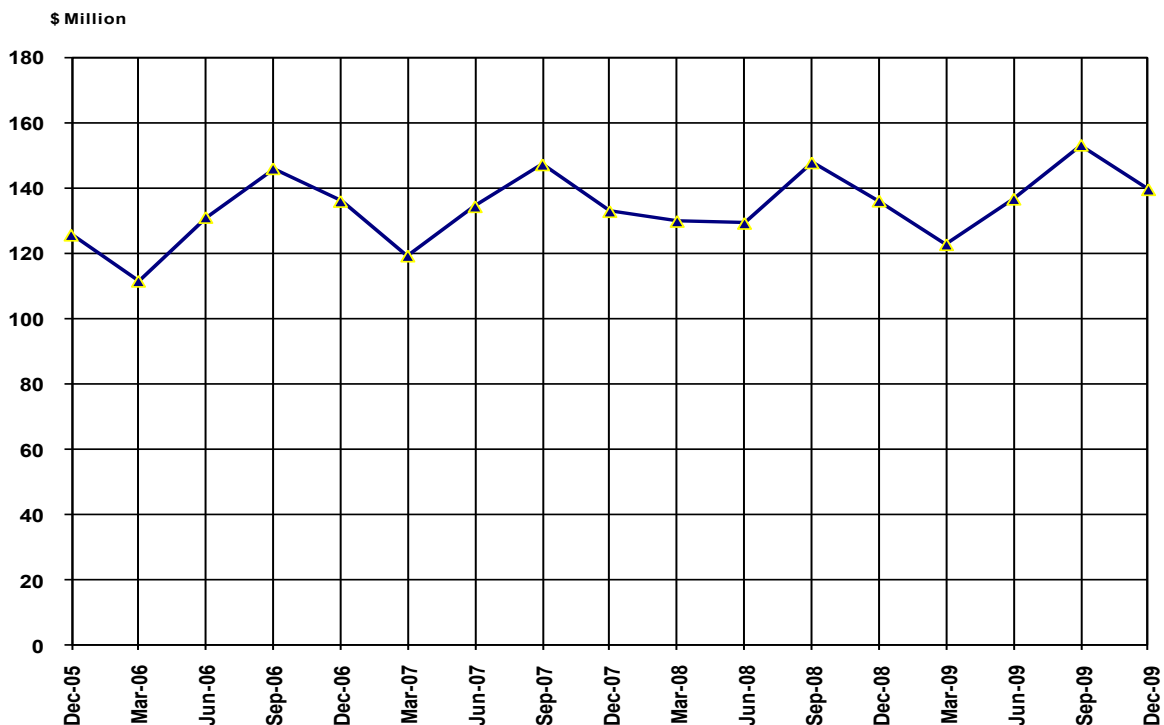


Net value added tax (VAT) for all industries was \$6.8 million for December quarter 2009. This is a decrease of 10.7% when compared to the previous quarter and an increase of 8.2% when compared to the same quarter of last year.



The graph below displays a fluctuating trend with Gross Turnover for the Cook Islands up to December quarter 2009, showing a decrease over the September quarter 2009.

Quarterly Gross Turnover 2005 - 2009



**Table 5.1 Summary of Declared Gross Turnover and TOT Payable / VAT
collected on Sales & Income**

Period	Cook Islands				Rarotonga			
	Gross Turnover (\$000)	Percentage Change (%)	Tax Payable (\$000)	Percentage Change (%)	Gross Turnover (\$000)	Percentage Change (%)	Tax Payable (\$000)	Percentage Change (%)
Year								
2005	490,940	1.8	50,528	2.9	472,912	1.6	48,680	2.8
2006	524,619	6.9	53,885	6.6	496,803	5.1	51,433	5.7
2007	533,860	1.8	56,509	4.9	511,385	2.9	54,019	5.0
2008	543,064	1.7	55,635	-1.5	498,283	-2.6	50,840	-5.9
2009	552,332	1.7	55,380	-0.5	514,137	3.2	51,365	1.0
Quarter								
2005								
Mar	105,965	-19.1	10,868	-18.8	102,666	-18.8	10,507	-18.5
Jun	128,700	21.5	13,327	22.6	124,571	21.3	12,871	22.5
Sep	130,618	1.5	13,399	0.5	125,534	0.8	12,872	0.0
Dec	125,657	-3.8	12,934	-3.5	120,141	-4.3	12,430	-3.4
2006								
Mar	111,583	-11.2	11,525	-10.9	106,336	-11.5	11,041	-11.2
Jun	131,056	17.5	13,319	15.6	124,714	17.3	12,768	15.6
Sep	145,963	11.4	14,855	11.5	137,718	10.4	14,182	11.1
Dec	136,017	-6.8	14,186	-4.5	128,035	-7.0	13,442	-5.2
2007								
Mar	119,262	-12.3	13,157	-7.3	113,452	-11.4	12,528	-6.8
Jun	134,442	12.7	14,061	6.9	129,277	13.9	13,479	7.6
Sep	147,212	9.5	15,544	10.5	141,135	9.2	14,872	10.3
Dec	132,944	-9.7	13,747	-11.6	127,521	-9.6	13,140	-11.6
2008								
Mar	129,855	-2.3	15,008	9.2	114,757	-10.0	13,403	2.0
Jun	129,348	-0.4	13,132	-12.5	117,761	2.6	11,970	-10.7
Sep	147,802	14.3	13,790	5.0	136,283	15.7	12,499	4.4
Dec	136,059	-7.9	13,705	-0.6	129,482	-5.0	12,968	3.8
2009								
Mar ^(r)	122,802	-9.7	12,278	-10.4	113,870	-12.1	11,351	-12.5
Jun ^(r)	136,714	11.3	13,766	12.1	127,109	11.6	12,744	12.3
Sep ^(r)	153,177	12.0	15,503	12.6	142,208	11.9	14,350	12.6
Dec ^(p)	139,639	-8.8	13,833	-10.8	130,950	-7.9	12,920	-10.0

Source: Revenue Management Division, MFEM

Table 5.2 Cook Islands Declared Gross Turnover by Industry

Period	All Industries	Agriculture & Fishing	Mining, Manufacturing & Electricity	Construction	Wholesale & Retail Trade	Restaurants & Bars	Hotels & Motels	Transport & Communication	Finance & Business Services	Community, & Personal Services
Year	(\$000)									
2005	490,940	8,808	37,388	12,772	221,110	14,668	66,045	82,474	27,887	19,788
2006	524,619	7,393	37,105	16,026	222,897	16,880	81,748	90,332	30,255	21,983
2007	533,860	6,021	42,425	17,887	212,111	17,486	90,409	89,791	33,091	24,639
2008	543,064	5,764	49,319	16,133	222,392	15,593	79,727	96,397	33,196	24,543
2009	552,332	7,823	45,857	17,129	199,825	18,913	90,264	105,617	40,100	26,804
Quarter										
2005										
Mar	105,965	1,767	8,508	2,692	47,592	2,835	13,533	20,223	5,207	3,608
Jun	128,700	3,061	8,896	3,575	58,416	3,666	15,940	18,968	8,709	7,469
Sep	130,618	2,605	10,164	3,238	55,570	4,231	21,005	22,137	7,470	4,198
Dec	125,657	1,375	9,820	3,267	59,532	3,936	15,567	21,146	6,501	4,513
2006										
Mar	111,583	1,789	9,191	2,824	48,692	3,520	13,851	20,069	6,162	5,485
Jun	131,056	1,799	8,894	4,887	56,514	4,118	18,047	22,182	9,699	4,916
Sep	145,963	1,762	9,693	3,973	62,679	4,962	24,631	24,707	7,845	5,711
Dec	136,017	2,043	9,327	4,342	55,012	4,280	25,219	23,374	6,549	5,871
2007										
Mar	119,262	1,454	10,207	4,401	45,860	3,750	17,143	22,759	7,666	6,022
Jun	134,442	1,565	10,206	4,655	49,372	4,349	27,472	20,821	9,564	6,438
Sep	147,212	1,505	10,865	4,153	59,764	5,097	27,964	24,038	7,899	5,927
Dec	132,944	1,497	11,147	4,678	57,115	4,290	17,830	22,173	7,962	6,252
2008										
Mar	129,855	1,140	12,847	3,908	53,804	3,668	17,487	23,800	7,123	6,078
Jun	129,348	1,669	11,652	4,390	51,007	4,020	19,796	21,502	8,640	6,672
Sep	147,802	1,353	12,033	3,467	63,004	4,468	23,466	25,359	8,756	5,896
Dec	136,059	1,602	12,787	4,368	54,577	3,437	18,978	25,736	8,677	5,897
2009										
Mar ^(r)	122,802	1,696	11,097	4,073	44,410	3,594	18,257	22,494	9,688	7,493
Jun ^(r)	136,714	1,605	11,740	4,584	48,845	4,421	21,927	25,123	12,043	6,426
Sep ^(r)	153,177	2,074	11,897	4,662	54,156	6,307	27,296	30,127	9,888	6,770
Dec ^(p)	139,639	2,448	11,123	3,810	52,414	4,591	22,784	27,873	8,481	6,115

Source: Revenue Management Division, MFEM

Table 5.3 Cook Islands TOT Payable / VAT collected on Sales and Income, by Industry

Period	All Industries	Agriculture & Fishing	Mining, Manufacturing & Electricity	Construction	Wholesale & Retail Trade	Restaurants & Bars	Hotels & Motels	Transport & Communication	Finance & Business Services	Community, & Personal Services
Year	(\$000)									
2005	50,528	543	3,770	1,398	23,790	1,958	7,292	6,826	3,037	1,914
2006	53,885	554	3,897	1,709	23,842	1,866	8,756	7,561	3,314	2,386
2007	56,509	549	4,483	1,976	22,368	1,935	10,193	7,595	4,688	2,722
2008	55,635	535	5,255	1,797	21,551	1,700	10,590	7,851	3,645	2,711
2009	55,380	662	5,003	1,887	20,719	2,100	9,906	7,759	4,399	2,945
Quarter										
2005										
Mar	10,868	100	811	300	5,179	314	1,505	1,698	561	400
Jun	13,327	165	900	391	6,334	740	1,770	1,531	956	540
Sep	13,399	168	1,043	346	5,949	467	2,313	1,821	817	475
Dec	12,934	110	1,016	361	6,328	437	1,704	1,776	703	499
2006										
Mar	11,525	145	972	317	5,209	390	1,525	1,698	672	597
Jun	13,319	137	932	514	5,819	457	1,979	1,892	1,065	524
Sep	14,855	130	1,018	412	6,637	552	2,505	2,110	864	627
Dec	14,186	142	975	466	6,177	467	2,747	1,861	713	638
2007										
Mar	13,157	122	1,074	488	4,848	416	2,171	1,873	1,499	666
Jun	14,061	153	1,075	511	5,265	483	3,003	1,820	1,043	708
Sep	15,544	134	1,143	460	6,255	566	3,054	1,993	1,280	659
Dec	13,747	140	1,191	517	6,000	470	1,965	1,909	866	689
2008										
Mar	15,008	107	1,367	437	5,584	409	3,737	1,916	782	669
Jun	13,132	146	1,231	488	5,231	447	2,182	1,718	948	741
Sep	13,790	130	1,292	386	5,071	479	2,597	2,226	964	645
Dec	13,705	152	1,365	486	5,665	365	2,074	1,991	951	656
2009										
Mar ^(r)	12,278	135	1,177	450	4,664	400	2,026	1,693	1,038	695
Jun ^(r)	13,766	158	1,239	383	5,057	491	2,408	1,888	1,323	819
Sep ^(r)	15,503	191	1,280	636	5,541	697	3,104	2,195	1,105	754
Dec ^(p)	13,833	178	1,307	418	5,457	512	2,368	1,983	933	677

Source: Revenue Management Division, MFEM

Table 5.4 Cook Islands Net Value Added Tax by Industry

Period	All Industries	Agriculture & Fishing	Mining, Manufacturing & Electricity	Construction	Wholesale & Retail Trade	Restaurants & Bars	Hotels & Motels	Transport & Communication	Finance & Business Services	Community, & Personal Services
Year	(\$000)									
2005	25,525	665	1,734	585	8,877	582	4,950	4,335	2,461	1,336
2006	28,758	357	1,653	670	10,039	638	6,883	4,508	2,477	1,533
2007	30,092	320	1,937	934	9,217	661	7,806	3,978	3,521	1,718
2008	26,631	304	1,820	782	8,910	647	5,359	4,324	2,692	1,793
2009	27,106	397	2,151	1,144	6,005	818	6,196	4,796	3,872	1,727
Quarter										
2005										
Mar	5,227	262	416	116	1,787	106	897	914	436	293
Jun	7,238	192	498	188	2,589	138	1,286	975	928	444
Sep	7,061	137	498	145	2,045	193	1,680	1,489	590	284
Dec	5,999	74	322	136	2,456	145	1,087	957	507	315
2006										
Mar	5,400	117	390	138	1,668	145	1,216	854	453	419
Jun	7,563	76	297	198	3,401	153	1,128	1,212	805	293
Sep	8,156	78	590	152	2,825	191	1,866	1,337	709	408
Dec	7,639	86	376	182	2,145	149	2,673	1,105	510	413
2007										
Mar	6,325	70	514	263	1,636	133	1,747	959	599	404
Jun	8,095	93	448	196	1,957	174	2,285	964	1,494	484
Sep	9,389	80	508	248	3,527	207	2,672	1,005	719	423
Dec	6,283	77	467	227	2,097	147	1,102	1,050	709	407
2008										
Mar	6,816	65	564	210	2,414	159	1,211	1,144	564	485
Jun	6,284	94	387	216	1,749	179	1,299	1,067	769	524
Sep	7,280	68	377	132	2,738	182	1,664	1,064	655	400
Dec	6,251	77	492	224	2,009	127	1,185	1,049	704	384
2009										
Mar ^(r)	5,831	80	455	237	1,595	138	1,186	938	798	404
Jun ^(r)	6,931	85	552	333	1,427	178	1,500	1,251	1,090	515
Sep ^(r)	7,580	93	573	260	1,332	290	2,049	1,307	1,259	417
Dec ^(p)	6,764	139	571	314	1,651	212	1,461	1,300	725	391

Note: Net = Total VAT collected on Sales / Income less Total VAT paid on Purchases / Expenses