



THE KINGDOM OF SOLQUELUM
Commission on Finances and Auditing

TAX CODE OF THE KINGDOM OF SOLQUELUM

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PREAMBLE

In accordance with the Constitution of the Kingdom of Solquelum, and pursuant to the authority granted to the Commission on Finances and Auditing, this Tax Code is hereby enacted. It shall serve as the comprehensive legal framework governing the levying, collection, and enforcement of taxes within the Kingdom. This Code affirms the duty of every Quelum, and every business or economic entity within the realm, to contribute equitably to the maintenance and development of the state.

CHAPTER I — GENERAL PROVISIONS

Article I: Authority and Oversight

- Section 1 The power to legislate matters of taxation is vested in the Commission on Finances and Auditing herein referred to as "the Commission".
- Section 2 The Royal Bureau of Taxation (RBT) is hereby established as the executive agency under the Commission responsible for tax collection, compliance enforcement, business registration, auditing, and taxpayer services.

Article II: Purpose and Scope

- Section 1 This Code shall apply to all Quelums, business entities, corporations, and economic operations under the jurisdiction of the Kingdom of Solquelum, whether conducted physically or digitally.
- Section 2 The purpose of this Code is to establish a fair, efficient, and transparent taxation system that supports the financial needs of the state while protecting the rights of its citizens and economic actors.



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CHAPTER II — DEFINITION OF TERMS

Article I: Definitions

- Section 1 Section 2.1 A Quelum refers to a citizen of the Kingdom of Solquelum, either by birth, recognition, or naturalization, entitled to rights and duties under national law.
- Section 2 The Solquelum Aurin (SAU) refers to the official and legal currency of the Kingdom, used for all domestic financial and economic transactions.
- Section 3 The Royal Bureau of Taxation (RBT) refers to the national authority established by the Commission on Finances and Auditing to oversee taxation, compliance, registration, and fiscal reporting within the Kingdom.
- Section 4 A Corporation refers to any registered business entity operating in Solquelum, including cooperatives, partnerships, and associations, that engages in the sale of goods or services for profit or organized activity.
- Section 5 A Vendor refers to any Quelum or group offering goods or services in exchange for compensation, whether in-person or via digital means.
- Section 6 Goods and Services refer to any product, item, service, subscription, or offering made available in exchange for value within or affiliated with the Kingdom.
- Section 7 Income refers to earnings received by an individual or group in the form of wages, stipends, salaries, commissions, profits, royalties, honoraria, or freelance remuneration.
- Section 8 A Taxpayer refers to any Quelum, vendor, or registered entity subject to one or more tax obligations under this Code.



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- Section 9 A Business Permit refers to the official license issued by the Royal Bureau of Taxation authorizing a person, entity, or group to legally conduct commercial activity within the jurisdiction of the Kingdom.
- Section 10 Net Profit refers to the total revenue earned by a corporation or vendor after deducting allowable and verifiable expenses, as recognized by the RBT.

CHAPTER III — STRUCTURE OF TAXATION

The taxation system of the Kingdom of Solquelum consists of three principal categories: the Solquelum Standard Tax (SST), the Corporate Tax, and the Personal Income Tax. These pillars ensure that the Kingdom maintains financial stability while promoting fairness, transparency, and the collective welfare of all Quelums.

Article I: Solquelum Standard Tax (SST)

- Section 1 The Solquelum Standard Tax (SST) is a consumption-based tax levied at a fixed rate of five percent (5%) on the sale of all taxable goods and services within the Kingdom.
- Section 2 The Solquelum Standard Tax applies to the following:
- The sale of goods in physical or digital form
 - The provision of personal or professional services
 - Digital content, subscriptions, or usage-based services
 - Any commercial exchange conducted in Solquelum Aurin (SAU)
- Section 3 All publicly advertised prices must include the Solquelum Standard Tax. No separate surcharge may be imposed at the point of sale. This policy upholds consumer transparency and pricing fairness.
- Section 4 The vendor is responsible for calculating, collecting, and safeguarding the SST at the time of each transaction. Collected SST shall be considered held in trust for the Kingdom until properly remitted.



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Section 5 The Solquelum Standard Tax shall be filed and remitted quarterly by the final day of each fiscal quarter. The Royal Bureau of Taxation may grant a grace period of up to five (5) calendar days in exceptional cases.

Section 6 The following may be exempted from SST, subject to certification by the Royal Bureau of Taxation:

- a. Official state purchases or expenditures
- b. Goods or services donated to accredited charitable efforts
- c. Non-commercial exchanges of essential supplies, as defined by ordinance

Article II: Corporate Tax

Section 1 A Corporate Tax of nine percent (9%) is imposed on the net profit of all registered corporations operating within the Kingdom of Solquelum.

Section 2 This tax applies to:

- a. Sole proprietorships and partnerships
- b. Commercial cooperatives
- c. Digitally operated businesses and platform-based entities
- d. Organizations earning profit from economic activity, regardless of physical presence

Section 3 Net profit shall be calculated as:
$$\text{Gross Revenue} - \text{Approved Business Expenses} = \text{Net Profit}$$
$$\text{Net Profit} \times 9\% = \text{Corporate Tax Due}$$

Section 4 The Royal Bureau of Taxation shall publish a comprehensive guide of allowable deductions. Any unverifiable or personal expense is ineligible for deduction.

Section 5 Corporate taxes are filed on a semi-annual basis. Filing deadlines are:

- a. July 30 (for January 1 – June 30 period)
- b. January 30 (for July 1 – December 31 period)



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Section 6 Corporations that fail to submit a semi-annual filing may be placed under review and subject to penalties as outlined in Chapter V.

Article III: Personal Income Tax

Section 1 All Quelums who earn qualifying income within or through the Kingdom of Solquelum shall pay a Personal Income Tax of two percent (2%) on their total annual earnings.

Section 2 Taxable income includes:

- Wages, salaries, and stipends
- Freelance work and contract services
- Commission-based earnings
- Digital content profits or creator fees

Section 3 The following are not taxable under the Personal Income Tax:

- Monetary gifts or family support
- Government financial assistance
- Volunteer stipends totaling not more than 120 SAU annually, which are considered non-commercial and service-based contributions to society
- Income below the minimum tax floor of 100 SAU annually, as established by the Commission on Finances and Auditing.
 - This threshold may be reviewed and adjusted periodically by the Commission to reflect the economic conditions of the Kingdom.
 - Quelums earning less than this amount in a fiscal year are exempt from filing a personal income tax return but may do so voluntarily for record purposes.

Section 4 Personal income tax filings are due annually, with all returns covering the previous calendar year and due by March 31.

Section 5 Quelums may file individually, jointly (if married or legally partnered), or on behalf of dependents, subject to standard procedures outlined by the Royal Bureau of Taxation.



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Section 6 Overpayments shall be credited to the next tax year unless a written refund is requested. Refunds are issued after proper audit and verification.

CHAPTER IV — REGISTRATION AND FILING REQUIREMENTS

Article I: Business Registration and Permitting

Section 1 All persons or entities intending to engage in trade, service, or economic activity must secure a Business Permit from the Royal Bureau of Taxation prior to operations.

Section 2 The process of obtaining a Business Permit shall include the following steps:

a. Application Submission

- i. Complete the official Business Permit Application Form (Form RBT-01) available online or from authorized RBT officers.
- ii. Submit proof of identity (for individuals) or organizational charter (for groups/corporations).

b. Declaration of Activity

- i. Specify the nature of goods or services to be offered.
- ii. Declare estimated revenue and business model (sole vendor, partnership, cooperative, etc.).

c. Review and Evaluation

- i. The RBT shall review all submissions within 5 to 10 working days.
- ii. Applicants may be contacted for clarifications or digital verification.

d. Issuance of Permit

- i. Upon approval, the RBT shall issue a Business Permit valid for one (1) calendar year.
- ii. The permit number must appear on all official invoices or digital storefronts.



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Section 3 Businesses must renew their permit annually and may be denied renewal for unresolved tax liabilities or compliance violations.

Article II: Filing and Remittance Procedures

Section 1 Taxpayers must comply with their filing schedules based on tax type:

- a. Consumption (SST): Filed and remitted quarterly
- b. Corporate Tax: Filed and remitted semi-annually
- c. Personal Income Tax: Filed and remitted annually

Section 2 The steps for tax filing and remittance are as follows:

- a. Filing Preparation
 - i. Download the appropriate tax return form (SST-R01, COR-R02, INC-R03) from the RBT portal.
 - ii. Prepare supporting documents including sales records, income summaries, and previous returns.
- b. Submission of Return
 - i. File returns digitally through the RBT e-Portal, or send via official email channels as instructed by the Bureau.
 - ii. Manual submissions may be allowed for offline filers, using scanned or certified PDF documents.
- c. Confirmation and Receipt
 - i. Upon submission, the taxpayer will receive an official Tax Return Receipt (TRR) bearing the filing reference number and amount due.
- d. Payment of Tax
 - i. Payment shall be made in Solquelum Aurin (SAU) through accepted digital payment channels or official remittance partners registered with the RBT.
 - ii. Overpayments may be credited toward the next period; underpayments are subject to penalties.

Section 3 Failure to file and/or remit taxes on time shall subject the taxpayer to penalties as outlined in Chapter V of this Code.



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CHAPTER V — PENALTIES AND ENFORCEMENT

The Kingdom of Solquelum recognizes the importance of tax compliance as a civic and constitutional responsibility. This chapter outlines the system of penalties for non-compliance, including progressive sanctions, enforcement procedures, and consequences for fraud and repeated violations.

Article I: Non-Compliance and Filing Violations

- Section 1 Any taxpayer who fails to file or pay taxes within the prescribed deadlines shall be considered non-compliant and subject to penalties as follows:
- a. First Offense:
 - i. Written notice of non-compliance from the Royal Bureau of Taxation (RBT)
 - ii. Administrative fine of 25 SAU or 10% of the unpaid tax, whichever is greater
 - iii. Five (5) calendar days granted for voluntary correction without further consequence
 - b. Second Offense:
 - i. Temporary suspension of Business Permit for a period of up to 15 days
 - ii. Administrative fine of 100 SAU
 - iii. Mandatory compliance audit by the RBT
 - c. Third Offense and Beyond:
 - i. Permanent revocation of Business Permit
 - ii. Public listing as a non-compliant entity in the official register
 - iii. Immediate referral to the Department of Justice and Orderful Conduct (DJOC) for possible prosecution under economic misconduct laws

Article II: Failure to Remit Collected Taxes

- Section 1 Any vendor, corporation, or entity that collects the Solquelum Standard Tax (SST) but fails to remit it to the RBT within the filing period shall be guilty of unlawful withholding of state revenue.



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- Section 2 The following sanctions shall apply:
- Immediate issuance of a Notice of Demand
 - Accrual of interest at 1.5% per calendar month on the amount withheld
 - Full audit and possible business suspension pending resolution

Article III: Fraud, Falsification, and Evasion

- Section 1 The deliberate falsification of tax records, underreporting of income, concealment of earnings, or evasion of taxes shall constitute tax fraud.

- Section 2 Tax fraud is a grave offense and shall be penalized as follows:
- A fine of up to 500 SAU
 - Permanent disqualification from operating any registered business in the Kingdom
 - Seizure of digital assets associated with illegal filings (upon legal authorization)
 - Formal prosecution under the economic provisions of the National Criminal Code by the DJOC

Article IV: Appeals and Dispute Resolution

- Section 1 Any taxpayer may file a formal appeal with the Royal Bureau of Taxation within seven (7) calendar days of receiving a penalty decision.
- Section 2 Appeals must be supported by clear evidence of miscalculation, incorrect classification, or force majeure circumstances.
- Section 3 The RBT must rule on all appeals within fifteen (15) days of filing. Final decisions may be reviewed by the Commission on Finances and Auditing upon petition.



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CHAPTER VI — FINAL PROVISIONS

Article I: Authority and Oversight

- Section 1 The Commission on Finances and Auditing is the sole body authorized to propose amendments, clarifications, or suspensions to this Code, subject to royal assent.
- Section 2 The Royal Bureau of Taxation (RBT) is empowered to interpret and enforce this Code in accordance with existing constitutional frameworks.

Article II: Amendments

- Section 1 This Code may be amended through:
- A resolution passed by a majority of the Commission on Finances and Auditing
 - Approval from His Majesty the King through official proclamation
 - Proper publication of the amended provisions to all affected parties
- Section 2 Emergency amendments may be issued by the Crown in times of fiscal crisis, with temporary effect pending formal ratification.

Article III: Legal Effectivity

- Section 1 This Tax Code shall take full legal effect on [Insert Effective Date], and all persons and entities under the Kingdom's jurisdiction shall be bound by its provisions.
- Section 2 Previous policies or declarations inconsistent with this Code are hereby repealed or rendered void.
- Section 3 The Royal Bureau of Taxation shall issue implementing guidelines and transitional procedures for ongoing compliance.



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Signed under the Seal of the Kingdom of Solquelum
By the Commission on Finances and Auditing

With the Assent of



His Majesty King Lawrence I
The Kingdom of Solquelum



Dated: May 10, 2025