

No. 30 of 2007.

*Income Tax (2008 Budget Amendment) Act 2007.*

Certified on: 11.03.08



No.      of 2007.

*Income Tax (2008 Budget Amendment) Act 2007.*

**ARRANGEMENT OF SECTIONS.**

1. Appointment of Commissioner General (Amendment of Section 6).
2. Appointment of Acting Commissioner General (Amendment of Section 6B).
3. Continuity of Delegations (Amendment of Section 7).
4. Assessable Income – Accounting for Value Added Tax (Amendment of Section 47D).
5. Deductions of Gifts to Political Parties (Amendment of Section 69).
6. Depreciation (Amendment of Section 73).
7. Deduction for Allowable Capital Expenditure (Amendment of Section 155E).
8. Amendment of the Regulatory Statutory Authorities (Appointments to Certain Offices) Act 2004 (Amendment of Schedule 2).



No.        of 2007.

AN ACT

entitled

***Income Tax (2008 Budget Amendment) Act 2007,***

Being an Act to amend the *Income Tax Act 1959*, and to make consequential amendments to certain other Acts to facilitate the application of this Act.

MADE by the National Parliament and deemed to have come into operation on 1 January 2008.

**1. APPOINTMENT OF COMMISSIONER GENERAL (AMENDMENT OF SECTION 6).**

Section 6 of the Principal Act is amended by -

(a) repealing Paragraph (1)(a) and replacing it with the following:-

“(a) be appointed by the Head of State, acting on advice, by notice in the National Gazette; and”; and

(b) inserting after Subsection (1) the following new subsections:-

“(1A) In the event that the Commissioner General resigns or otherwise ceases to hold office for any reason whatsoever, the Secretary for Department of Personnel Management shall, within 90 days, advertise the vacancy in at least one newspaper circulating nationally in Papua New Guinea, and in any other manner the Secretary for Department of Personnel Management thinks fit.

*Income Tax (2008 Budget Amendment)*

"(1B) The advertisement referred to in Subsection (1A) shall set out the selection criteria to be used in assessing applicants for the position of Commissioner General and specify a closing date for applications which shall be not less than 14 days after the date on which the advertisement is published and not more than 30 days after the date on which the advertisement is published.

"(1C) The Secretary for Department of Personnel Management shall, after the closing date for applications specified in the advertisement referred to in Subsection (1A), refer the applications to the Public Services Commission for advice.

"(1D) The Public Services Commission shall provide advice to the Minister on the applications for the position of Commissioner General referred to it.

"(1E) In providing the advice referred to in Subsection (1D) the Public Services Commission shall -

- (a) assess each applicant's curriculum vitae and their competency against the selection criteria specified in the advertisement for this position; and
- (b) rank in order its assessment of all applicants from most suitable to least suitable based on the assessment described in Paragraph (a).

"(1F) In providing the advice referred to in Subsection (1E) other considerations not related to the processes described in Subsection (1E) shall have no bearing in the preparation of advice by the Public Services Commission to the Minister.

"(1G) In preparing the submission to the National Executive Council recommending advice to be provided to the Head of State on the appointment of a Commissioner General the Minister shall include, without alteration, the advice received from the Public Services Commission."

*Income Tax (2008 Budget Amendment)*

**2. APPOINTMENT OF ACTING COMMISSIONER GENERAL (AMENDMENT OF SECTION 6B).**

Section 6B of the Principal Act is amended by inserting after Subsection (2) the following new subsections:-

"(3) In the event that the Commissioner General resigns or otherwise ceases to hold office for any reason whatsoever, the Commissioner of Taxation shall, unless regulations prescribe otherwise, become the Acting Commissioner General until the appointment of a Commissioner General or for a period of three months, whichever comes first.

"(4) If, after three months from the date the Commissioner General resigned or otherwise ceased to hold office, no person has been appointed Commissioner General, the Head of State acting on advice, may reappoint the Commissioner of Taxation or the Commissioner of Customs as Acting Commissioner General for a period not exceeding three months."

**3. CONTINUITY OF DELEGATIONS (AMNDMENT OF SECTION 7).**

Section 7 of the Principal Act is amended by inserting after Subsection (5) the following new subsections:-

"(6) In the event that the Commissioner General resigns or otherwise ceases to hold office for any reason whatsoever, delegations in effect immediately before the Commissioner General resigned or otherwise ceased to hold office remain in force for ten working days following the date the Commissioner General resigned or otherwise ceased to hold office, or until the Acting Commissioner General issues new delegations, whichever comes first.

"(7) In the event that a person holding the position of Acting Commissioner General under Subsection 6B(3) or 6B(4) ceases to hold office, delegations made by that person remain in force for ten working days or until new delegations are issued, whichever comes first."

**4. ASSESSABLE INCOME – ACCOUNTING FOR VALUE ADDED TAX (AMENDMENT OF SECTION 47D).**

Section 47D of the Principal Act is amended by -

- (a) repealing all references to the words and numbers "*Value Added Tax Act 1998*" wherever occurring in the section and replacing them with the words and numbers "*Goods and Services Tax Act 2003*"; and

*Income Tax (2008 Budget Amendment)*

- (b) repealing the words "Value Added Tax" from the section title and replacing them with the words "Goods and Services Tax."

**5. DEDUCTIONS OF GIFTS TO POLITICAL PARTIES (AMENDMENT OF SECTION 69).**

Section 69 of the Principal Act is amended by -

- (a) repealing in the definition of the term "Central Fund" in Subsection (1) the words and numbers "Section 54 of"; and
- (b) repealing the definition of the term "registered political party" in Subsection (1) the words and numbers "Section 6(3)."

**6. DEPRECIATION (AMENDMENT OF SECTION 73).**

Section 73 of the Principal Act is amended by inserting after the numbers "5510" in the definition of the term "eligible property" in Subsection (2)(ca) the word and numbers "and 5520."

**7. DEDUCTION FOR ALLOWABLE CAPITAL EXPENDITURE (AMENDMENT OF SECTION 155E).**

Section 155E of the Principal Act is amended by -

- (a) in Subsection (2)(a) by repealing the numbers and letter "155G" and replacing them with the numbers and letter "155L"; and
- (b) by inserting after Subsection (6) the following new subsections:-

"(7) Subject to Subsection (6), the deduction allowable under Subsection (1) shall be firstly in respect of the amount calculated under Subsection (1)(a) and secondly in respect of the amount calculated under Subsection (1)(b).

"(8) Subject to Subsection (10), where the whole or part of a deduction under Subsection (1) in respect of a year of income is limited under Subsection (6), the amount of the deduction under Subsection (1) which is in excess of the deduction allowable shall be deemed to be allowable capital expenditure in respect of the next succeeding year of income.

"(9) The allowable capital expenditure referred to in Subsection (8) shall be treated as allowable capital expenditure under Subsection (1)(a) or (1)(b), in accordance with the excess amount under Subsection (1)(a) or (1)(b) in the previous year of income.

*Income Tax (2008 Budget Amendment)*

"(10) For the avoidance of doubt, amounts deemed to be allowable capital expenditure under Subsection (8) shall be subject to Subsection 155E(2)."

**8. AMENDMENT OF REGULATORY STATUTORY AUTHORITIES (APPOINTMENTS TO CERTAIN OFFICES) ACT 2004 (AMENDMENT OF SCHEDULE 2).**

Schedule 2 of the *Regulatory Statutory Authorities (Appointments to Certain Offices) Act 2004* is amended by -

- (a) repealing in Column 1 the words "*Income Tax Act 1959*"; and
- (b) repealing in Column 2 the word and number "Section 6"; and
- (c) repealing in Column 3 the words "In Subsection (1), repeal Paragraph (a) and replace it with the following: - (a) be appointed, suspended or dismissed in the manner is as specified in the *Regulatory Statutory Authorities (Appointments to Certain Offices) Act 2004*; and".

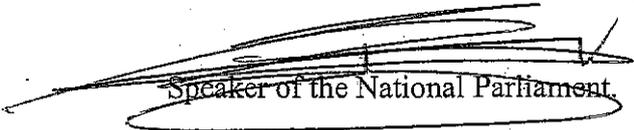
I hereby certify that the above is a fair print of the *Income Tax (2008 Budget Amendment) Act 2007* which has been made by the National Parliament.



Clerk of the National Parliament.

11 MAR 2008

I hereby certify that the *Income Tax (2008 Budget Amendment) Act 2007* was made by the National Parliament on 29 November 2007.



Speaker of the National Parliament.

11 MAR 2008

