



No. 64 of 1996.

Income Tax and Dividend (Withholding) Tax Rates (Amendment) Act 1996.

Certified on : 10.02.97

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1996.

Income Tax and Dividend (Withholding) Tax Rates (Amendment) Act 1996.

ARRANGEMENT OF SECTIONS.

1. Rates of Tax Payable by Trustees (Amendment of Section 5).
2. Rates of Tax Payable by Companies (other than trustees) (Amendment of Section 6).
3. Rate of Tax Payable in respect of royalties (Amendment of Section 7).
4. Rate of additional profits tax on petroleum income (Amendment of Section 8).
5. Rate of dividend (withholding) tax (Amendment of Section 10).
6. Amendment of Schedule 3.
7. Amendment of Schedule 4.
8. Repeal and replacement of Schedule 5.

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1996.

AN ACT

entitled

Income Tax and Dividend (Withholding) Tax Rates (Amendment) Act 1996,

Being an Act to amend the *Income Tax and Dividend (Withholding) Tax Rates Act* (Chapter 111),

MADE by the National Parliament to be deemed to have come into operation on 1 January 1996.

1. **RATES OF TAX PAYABLE BY TRUSTEES (AMENDMENT OF SECTION 5).**
Section 5(3) of the Principal Act is repealed and is replaced with the following:-

"(3) The rate of income tax payable by a trustee on the net income of a unit trust is set out in Schedule 3.3."

2. **RATES OF TAX PAYABLE BY COMPANIES (OTHER THAN TRUSTEES) (AMENDMENT OF SECTION 6).**

Section 6(1) of the Principal Act is repealed and is replaced with the following:-

"(1) The rates of income tax payable by a company, other than -
(a) a company in the capacity of trustee; or
(b) a company in which Section 154C of the Principal Act applies; or
(c) a unit trust,
as are set out in Schedule 4."

3. **RATE OF TAX PAYABLE IN RESPECT OF ROYALTIES (AMENDMENT OF SECTION 7).**

Section 7 of the Principal Act is amended by repealing the words "or assessable income from petroleum operation" and replacing them with the following:-

"or assessable income from petroleum operations or assessable income from gas operations".

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4. **RATE OF ADDITIONAL PROFITS TAX ON PETROLEUM INCOME (AMENDMENT OF SECTION 8).**

Section 8 of the Principal Act is amended by repealing the reference "Section 165C" and replacing it with the following:-

"Sections 164X and 165X".

5. **RATE OF DIVIDEND (WITHHOLDING) TAX (AMENDMENT OF SECTION 10).**
Section 10(e) of the Principal Act is repealed.

6. **AMENDMENT OF SCHEDULE 3.**

Schedule 3.3 of the Principal Act is repealed and is replaced with the following:-

"Sch 3.3 - Unit trust.

In respect of the net income of a unit trust in respect of which a trustee is liable to pay tax under Section 136C, the rate of income tax is 30%."

7. **AMENDMENT OF SCHEDULE 4.**

Schedule 4.4 of the Principal Act is repealed and is replaced with the following:-

"SCH. 4.4 MINING, PETROLEUM AND GAS INCOME."

The rate of tax in respect of assessable income from -

- (a) petroleum operations is 50% of the taxable income; or
- (b) mining operations under or in a special mining leases or mining projects is 35% of the taxable income; or
- (c) mining operations from other than special mining leases or mining projects is 25% of the taxable income; or
- (d) gas operations is 30% of the taxable income."

8. **REPEAL AND REPLACEMENT OF SCHEDULE 5.**

Schedule 5 of the Principal Act is repealed and is replaced with the following:-

"SCH. 5. RATES OF ADDITIONAL PROFITS TAX ON PETROLEUM AND GAS INCOME.

The rate in respect of assessable income from -

- (a) petroleum operations on which a company is liable, under Section 164X of the *Income Tax Act*, is 50% of that amount; and

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- (b) gas operations on which a company is liable, under Section 165X of the *Income Tax Act*, is 30% of that amount."

I hereby certify that the above is a fair print of the *Income Tax and Dividend (Withholding) Tax Rates (Amendment) Act 1996* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Income Tax and Dividend (Withholding) Tax Rates (Amendment) Act 1996* was made by the National Parliament on 11 December 1996.

Speaker of the National Parliament.