

No. 43 of 2002.

*Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2003
Budget Provisions) Act 2002.*

Certified on: 16.01.03



INDEPENDENT STATE OF PAPUA NEW GUINEA

No. of 2002.

*Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates
(2003 Budget Provisions) Act 2002.*

ARRANGEMENT OF SECTIONS.

1. Interpretation (Amendment of Section 1).
2. Repeal and replacement of Schedule 4.1.
3. Repeal and replacement of Schedule 4.4.



INDEPENDENT STATE OF PAPUA NEW GUINEA

AN ACT

entitled

Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2003 Budget Provisions) Act 2002,

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

MADE by the National Parliament to come into operation on 1 January 2003.

1. **INTERPRETATION (AMENDMENT OF SECTION 1).**

Section 1 of the Principal Act is amended by inserting before the definition of "new petroleum project" the following new definition :-

"incentive rate petroleum operations" means petroleum operations arising out of a petroleum prospecting licence granted pursuant to the provisions of Division 2 of the *Oil and Gas Act 1998* during the period 1 January 2003 to 31 December 2007 and in respect of which a Petroleum Development Licence has been granted pursuant to Division 7 of the *Oil and Gas Act 1998*, on or before 31 December 2017;".

2. **REPEAL AND REPLACEMENT OF SCHEDULE 4.1.**

Schedule 4.1 of the Principal Act is repealed and is replaced with the following :-

"Sch. 4.1. – Resident corporations (other than petroleum, mining or gas companies) of Papua New Guinea.

In the case of a company (other than in respect of taxable income from petroleum, mining or gas operations) that is a resident corporation of Papua New Guinea, the rate of income tax (other than additional tax under Section 138 of the Principal Act) is, in relation to income derived on or after 1 January 2003, 30% of the taxable income."

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3. **REPEAL AND REPLACEMENT OF SCHEDULE 4.4.**

Schedule 4.4 of the Principal Act is repealed and is replaced with the following :-

"Sch 4.4— Mining, Petroleum and Gas Income.

- (1) Subject to Subsection (2), the rate of tax in respect of income from—
- (a) petroleum operations attributable to a new petroleum project is 45% of the taxable income; and
 - (b) incentive rate petroleum operations is 30% of the taxable income; and
 - (c) petroleum operations other than those in Paragraph (a) or (b) is 50% of the taxable income; and
 - (d) gas operations is 30% of the taxable income; and
 - (e) mining operations is 30% of the taxable income.

"(2) If the taxpayer is subject to fiscal stabilisation under the provisions of the *Resource Contracts Fiscal Stabilization Act 2000*, an additional 2% (which shall be additional to the rate of tax otherwise payable under Subsection (1)) of the taxable income of all resource operations excluding operations pursuant to the *Gas Agreement* between the State, the Bank of Papua New Guinea and the Project Developers signed in Port Moresby on 6 June 2002."

I hereby certify that the above is a fair print of the *Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2003 Budget Provisions) Act 2002* which has been made by the National Parliament.



Clerk of the National Parliament.

I hereby certify that the *Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2003 Budget Provisions) Act 2002* was made by the National Parliament on 10 December 2002.

Acting Speaker of the National Parliament.