

No. 17 of 2005.

***Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2006
Budget Provisions Amendment) Act 2005.***

Certified on: 23-12-05



INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2005.

***Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2006
Budget Provisions Amendment) Act 2005.***

ARRANGEMENT OF SECTIONS.

1. Interpretation (Amendment of Section 1).
2. General rates of income tax on taxable income payable by resident persons other than companies (Amendment of Schedule 1).
3. General rates of income tax on taxable income payable by non-resident persons other than companies (Amendment of Schedule 1A).
4. Rates of income tax payable by a company other than a company in the capacity of a trustee (Amendment of Schedule 4).



INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2005.

AN ACT

entitled

Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2006 Budget Provisions Amendment) Act 2005,

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 2006.

1. INTERPRETATION (AMENDMENT OF SECTION 1).

Section 1 of the Principal Act is amended in the definition of "incentive rate primary production income" –

- (a) in Paragraph (a), by repealing the figure "K5 million" and replacing it with the following:-
"K1 million"; and
- (b) in Paragraph (d), by repealing the date "31 December 2006" and replacing it with the following:-
"31 December 2011".

2. GENERAL RATES OF INCOME TAX ON TAXABLE INCOME PAYABLE BY RESIDENT PERSONS OTHER THAN COMPANIES (AMENDMENT OF SCHEDULE 1).

Schedule 1 of the Principal Act is amended by repealing the Table and replacing it with the following new tables :-

**Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2006
Budget Provisions Amendment)**

“Table 1 – Rates of Tax for the period 1 January 2006 to 31 December 2006

Column 1 Parts of Taxable Income	Column 2 Percentage
The part of the taxable income that:-	
Does not exceed K6,300.00	0
exceeds K6,300.00 but does not exceed K18,000.00	25
exceeds K18,000.00 but does not exceed K33,000.00	30
exceeds K33,000.00 but does not exceed K70,000.00	35
exceeds K70,000.00 but does not exceed K150,000.00	40
exceeds K150,000.00	45

“Table 2 – Rates of Tax for the period 1 January 2007 and onwards

Column 1 Parts of Taxable Income	Column 2 Percentage
The part of the taxable income that:-	
Does not exceed K6,600.00	0
exceeds K6,600.00 but does not exceed K18,000.00	25
exceeds K18,000.00 but does not exceed K33,000.00	30
exceeds K33,000.00 but does not exceed K70,000.00	35
exceeds K70,000.00 but does not exceed K250,000.00	40
exceeds K250,000.00	42.

3. GENERAL RATES OF INCOME TAX ON TAXABLE INCOME PAYABLE BY NON-RESIDENT PERSONS OTHER THAN COMPANIES (AMENDMENT OF SCHEDULE 1A).

Schedule 1A of the Principal Act is amended by repealing the Table and replacing it with the following new tables –

“Table 1 – Rates of Tax for the period 1 January 2006 to 31 December 2006

Column 1 Parts of Taxable Income	Column 2 Percentage
The part of the taxable income that:-	
Does not exceed K18,000.00	25
exceeds K18,000.00 but does not exceed K33,000.00	30

**Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2006
Budget Provisions Amendment)**

exceeds K33,000.00 but does not exceed K70,000.00	35
exceeds K70,000.00 but does not exceed K150,000.00	40
exceeds K150,000.00	45

Table 2 – Rates of Tax for the period 1 January 2007 and onwards

Column 1 Parts of Taxable Income	Column 2 Percentage
The part of the taxable income that:-	
Does not exceed K18,000.00	25
exceeds K18,000.00 but does not exceed K33,000.00	30
exceeds K33,000.00 but does not exceed K70,000.00	35
exceeds K70,000.00 but does not exceed K250,000.00	40
exceeds K250,000.00	42

4. RATES OF INCOME TAX PAYABLE BY A COMPANY OTHER THAN A COMPANY IN THE CAPACITY OF A TRUSTEE (AMENDMENT OF SCHEDULE 4).

Schedule 4 of the Principal Act is amended in Schedule 4.4 by repealing Paragraph (e) and replacing it with the following:-

- “(e) mining operations carried out by resident companies is 30% of the taxable income; and
- (d) mining operations carried out by non-resident companies is 40% of the taxable income.”.

Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2006 Budget Provisions Amendment)

I hereby certify that the above is a fair print of the ***Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2006 Budget Provisions Amendment) Act 2005*** 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 (2006 Budget Provisions Amendment) Act 2005*** was made by the National Parliament on 22 November 2005.

Speaker of the National Parliament.