

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 113.

Personal Tax.

GENERAL ANNOTATION.

ADMINISTRATION.

As at 13 February 1976 (the date of gazettal of the most comprehensive allocation of responsibilities to Ministers and Departments at about the effective date), while the administration of this Chapter was not vested specifically in any Minister, the fact that under Section 2 of the Act the Chief Collector of Taxes was responsible for the administration of the Act means that the Minister for Finance was politically responsible.

The Chapter does not refer to "the Minister", "the Departmental Head" or "the Department".

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 113.

Personal Tax Act.

ARRANGEMENT OF SECTIONS.

1. Interpretation—
 - "the Chief Collector"
 - "Council tax"
 - "personal tax"
 - "the regulations"
 - "tax payer"
 - "tax year"
 - "this Act".
2. Administration of Act.
3. Delegation.
4. Tax collectors.
5. Personal tax.
6. Payment.
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12. Taxation Tribunals.
13. Personal tax to be paid into public revenue.
14. Non-payment of personal tax.
15. Recovery of personal tax.
16. Certificate prima facie evidence.
17. Regulations.

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 113.

Personal Tax Act.

Being an Act to make provision for a tax on certain persons.

1. Interpretation.

In this Act, unless the contrary intention appears—

“the Chief Collector” means the Chief Collector of Taxes;

“Council tax” means a tax levied by a Local Government Council;

“personal tax” means a tax referred to in Section 5;

“the regulations” means any regulations made under this Act;

“tax payer” means a male resident of the country of or over the age of 18 years, other than a person referred to in Section 11;

“tax year” means the 12 months commencing on 1 July;

“this Act” includes the regulations.

2. Administration of Act.

The Chief Collector shall have the general administration of this Act.

3. Delegation.

The Chief Collector may, by writing under his hand, delegate to an officer any of his powers and functions under this Act (except this power of delegation).

4. Tax collectors.

(1) The Head of State, acting on advice, may, by notice in the National Gazette, appoint persons or classes of persons to be tax collectors for the purposes of this Act.

(2) The duties of a tax collector are as prescribed or as directed by the Chief Collector.

5. Personal tax.

(1) Subject to this Act, personal tax at such rates as are fixed by Act for each tax year shall be levied on and paid by every taxpayer.

(2) Personal tax is due and payable on 1 July in the tax year for which it is fixed.

6. Payment.

Personal tax shall be paid in money.

7. Manner of payment and collection.

Personal tax shall be paid and collected in such manner and at or within such time as is prescribed and the time prescribed may differ—

(a) in different parts of the country; and

(b) in relation to different classes of taxpayers,

or both.

8. State employees.

Subject to Section 10, on or after the date on or before which personal tax is to be paid, deductions may be made from the wages or salary of a taxpayer employed by the State for any personal tax due by that person for the current tax year.

9. Employees other than State employees.

(1) Subject to Section 10, where a taxpayer employed by a person other than the State has not paid an amount of the personal tax to which he is liable on or before the date prescribed as the date on or before which personal tax is to be paid, the Chief Collector may direct the employer to deduct the amount of personal tax by instalments or otherwise from any salary or wages due from him to the taxpayer, and the employer shall pay the amount deducted to the Chief Collector.

(2) An employer who, without lawful or reasonable excuse (proof of which is on him), fails to comply with a direction under Subsection (1) is guilty of an offence.

Penalty: A fine not exceeding K100.00 or imprisonment for a term not exceeding six months.

(3) A conviction for an offence against Subsection (2) does not relieve the employer of the liability to comply with the direction.

(4) A direction under this section does not relieve the taxpayer of any liability under this Act in respect of any amount of personal tax unpaid.

10. Limitations on deductions.

A deduction under Section 8 or 9 shall not in any case except with the consent of the taxpayer exceed 25% of the salary or wages due to the taxpayer on the occasion of the deduction.

11. Exemptions.

(1) The following persons are exempt from personal tax—

(a) a person exempted from personal tax by or under an Act; and

(b) a person who—

(i) in the 12 months preceding the day on which he becomes liable under Section 7 to pay personal tax has not resided in the country for a period of, or for periods aggregating, six months; and

(ii) is not the owner, whether by custom or by law, or the lessee of land in the country; and

(c) a person exempted from personal tax under Section 12.

(2) A taxpayer who is liable for and has paid Council tax for a tax year is liable to pay personal tax for that year only to the extent that the personal tax to which he would, if this subsection had not been enacted, have been liable exceeds the Council tax paid.

(3) Where a taxpayer—

(a) has paid personal tax for a tax year; and

(b) was not, at the date of the payment, liable for Council tax for that year; and

- (c) after the date of the payment becomes liable to pay and pays Council tax for that year or a part of that year,

he shall be deemed, for the purposes of Subsection (4) to have paid personal tax to which he is not liable to the extent of—

- (d) the whole of such personal tax, where the amount of the Council tax paid is not less than the amount of the personal tax; or
- (e) the difference between the personal tax paid and the Council tax paid where the amount of the Council tax is less than the amount of the personal tax.

(4) Where a person—

- (a) who is exempted from personal tax by or under this Act has paid personal tax during a tax year for which he is exempted; or
- (b) has paid personal tax to which he is not liable,

the Chief Collector may authorize the refund of the tax and the Secretary for Finance shall refund it accordingly.

12. Taxation Tribunals.

(1) For the purposes of this Act, each Magistrate Grade III. or IV. is a Taxation Tribunal.

(2) A Taxation Tribunal may—

- (a) grant an exemption from personal tax to a person on the ground of hardship or lack of sufficient means; or
- (b) on any ground reduce the amount of personal tax payable by a person to such amount as to it seems proper.

(3) A claim under this section shall be made as prescribed.

(4) A person (including the Chief Collector) aggrieved by a decision of a Taxation Tribunal under this section may appeal, in the prescribed manner and in the prescribed time, to a Taxation Appeals Tribunal constituted by the Head of State, acting on advice, by notice in the National Gazette.

(5) The decision of a Taxation Appeals Tribunal on an appeal is final¹.

(6) This section does not limit in any way the exercise of a discretion as to exemption from tax conferred on any person or authority under any other law.

13. Personal tax to be paid into public revenue.

All moneys received in payment of personal tax shall be paid into the Consolidated Revenue Fund.

14. Non-payment of personal tax.

(1) A person liable to pay personal tax who without reasonable cause (proof of which is on him) fails to pay the tax at or within the prescribed time is guilty of an offence.

Penalty: A fine not exceeding K100.00 or imprisonment for a term not exceeding six months.

(2) In a prosecution under this section, the burden of proof that a person—

- (a) has paid the personal tax to which he is liable; or

¹ But see Constitution, Section 155.

(b) is exempt from paying personal tax,

is on that person.

(3) A conviction of an offence against Subsection (1) does not relieve the offender of the liability to pay the personal tax.

(4) It is a defence to a charge under Subsection (1) if the defendant proves that, during the tax year in question, he has paid income tax under the *Income Tax Act* of an amount not less than the amount of the personal tax for which he is otherwise liable.

(5) For the purposes of Subsection (4), a person who—

(a) has paid provisional tax; or

(b) has had deductions made from his salary or wages under the *Income Tax Act*,

shall be deemed to have paid income tax under that Act.

15. Recovery of personal tax.

Personal tax due may be recovered by the State as a debt.

16. Certificate prima facie evidence.

A certificate under the hand of the Chief Collector is in all proceedings for non-payment of personal tax, prima facie evidence of the particulars contained in it.

17. Regulations.

The Head of State, acting on advice, may make regulations not inconsistent with this Act, prescribing all matters that are required or permitted to be prescribed, or that are necessary or convenient to be prescribed for carrying out or giving effect to this Act, and in particular for—

(a) the collecting, recovering and furnishing of proof of payment of personal tax; and

(b) the compilation of records of taxable and non-taxable persons; and

(c) the taking of taxation censuses at any time or times, the duties of persons in respect to such censuses, the information that persons shall be required to supply in respect of such censuses and all measures necessary for the effective taking of such censuses; and

(d) the imposition of penalties of fines not exceeding K50.00 or imprisonment for terms not exceeding three months, or both, for offences against the regulations.

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CHAPTER NO. 113.

Personal Tax Regulation.

ARRANGEMENT OF SECTIONS.

1. Interpretation—
"tax collector".
2. Time of payment of tax.
3. Tax receipts.
4. Recovery of tax from prisoners.
5. Appeals.

SCHEDULE.—

FORM 1.—Personal Tax Receipt.

FORM 2.—Personal Tax Exemption.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 113.

Personal Tax Regulation.

MADE under the *Personal Tax Act.*

1. Interpretation.

In this Regulation, "tax collector" means a tax collector appointed under Section 4 of the Act.

2. Time of payment of tax.

(1) Subject to Subsection (2), personal tax shall be paid—

(a) by a citizen taxpayer—on demand by a tax collector; and

(b) by a taxpayer other than a citizen—on or before—

(i) 30 March, in each year; or

(ii) the date on which he completes a period of residence in the country such that he has resided in the country for six months out of the immediately preceding 12 months,

whichever last occurs.

(2) Notwithstanding Subsection (1), where a taxpayer is about to leave the country during a tax year the personal tax for that year shall be paid before his departure.

3. Tax receipts.

(1) Where a person pays an amount of personal tax, the tax collector to whom he pays it shall issue to him a Personal Tax Receipt in Form 1.

(2) Production of a Personal Tax Receipt is conclusive evidence that the amount of personal tax shown on it was paid.

4. Recovery of tax from prisoners.

No action shall be taken to recover any amount of tax owing from a prisoner while he is in prison.

5. Appeals.

(1) An appeal under Section 12 of the Act shall be made within 28 days after the decision complained of but the Taxation Appeals Tribunal may, if for any special reason it thinks fit, extend the time for lodging the appeal.

(2) An appeal may be made orally or in writing to a Taxation Appeals Tribunal.

(3) Where a Taxation Appeals Tribunal exempts a person wholly or partially from personal tax, it shall grant to him a Personal Tax Exemption in Form 2.

(4) Production of a Personal Tax Exemption is conclusive evidence of the exemption set out in it.

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SCHEDULES.

PAPUA NEW GUINEA.
Personal Tax Act.

Reg., Sec. 3.

Form 1.

PERSONAL TAX RECEIPT.
No.

Exemption No. (*if applicable*)

Census No.

Date:

Name: (*given name*)

Village: (*place of residence*)

Employer's name:

Received the sum of K , for the year(s)

Place of collection:

Father's name: (*surname*)

Province:

Collector.

PAPUA NEW GUINEA.
Personal Tax Act.

Reg., Sec. 5.

Form 2.

PERSONAL TAX EXEMPTION.

No.

Census No.

19

Name: (*given name*)

Village: (*place of residence*)

Period for which exempt:

Partial or total exemption and amount payable:

Reason for exemption:

Father's name: (*surname*)

Subdistrict:

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APPENDIXES.

APPENDIX 1.

SOURCE OF THE PERSONAL TAX ACT.

Part A.—Previous Legislation.

Personal Tax Act 1957 (No. 40 of 1957)

as amended by—

Personal Tax Act 1958 (No. 6 of 1958)

Personal Tax Act (No. 2) 1958 (No. 47 of 1958)

Personal Tax Act 1959 (No. 7 of 1959)

Personal Tax Act 1960 (No. 24 of 1960)

Personal Tax Act 1965 (No. 19 of 1965).

Part B.—Cross References.

Section, etc., in Revised Edition.	Previous Reference ¹ .
1	4
2	5(3)
3	5(4)
4	6
5	7
6	8
7	9
8	10
9	11
10	12
11	13
12	14
13	15
14	16
15	17
16	18
17	19

¹ Unless otherwise indicated, references are to the Act set out in Part A.

APPENDIX 2.

SOURCE OF THE PERSONAL TAX REGULATION.

Part A.—Previous Legislation.

Personal Tax Regulations 1957 (Regulations No. 1 of 1958)

as amended by—

Regulations No. 34 of 1959.

Part B.—Cross References.

Section, etc., in Revised Edition.	Previous Reference ¹ .
1	2
2	3
3	4
4	5
5	6
Schedule—	Schedule—
Form 1	Form 1
Form 2	Form 2

¹ Unless otherwise indicated, references are to the regulations set out in Part A.