

Chapter 113.
Personal Tax Act 1957.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.



Chapter 113.

Personal Tax Act 1957.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.



AN ACT

entitled

Personal Tax Act 1957,

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

1. **INTERPRETATION.**

¹In this Act, unless the contrary intention appears—

“**Commissioner General**” means the Commissioner General of Internal Revenue appointed under Section 6 of the *Income Tax Act 1959*;

“**Council tax**” means a tax levied by a Local-level Government;

“**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.**

²The Commissioner General shall have the general administration of this Act.

¹ Section 1 amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s9.

² Section 2 amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

3. DELEGATION.

³The Commissioner General 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)⁴ ⁵The duties of a tax collector are as prescribed or as directed by the Commissioner General.

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.

³ Section 3 amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

⁴ Section 4(2) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

⁵ Section 4(2) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

9. EMPLOYEES OTHER THAN STATE EMPLOYEES.

(1)⁶ 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 Commissioner General 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 Commissioner General.

(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;

(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;

(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.

⁶ Section 9(1) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

⁷ Section 9(1) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

(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)⁸ ⁹Where 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 Commissioner General 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 Principal Magistrate 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)¹⁰ ¹¹A person (including the Commissioner General) aggrieved by a decision of a Taxation Tribunal under this section may appeal, in the prescribed manner and

⁸ Section 11(4) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

⁹ Section 11(4) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

¹⁰ Section 12(4) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

¹¹ Section 12(4) amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.

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 final.

(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

(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 1959* 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 1959*,

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.

¹²A certificate under the hand of the Commissioner General 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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¹² Section 16 amended by *Commissioner General of Internal Revenue (Consequential Amendments) Act 1993* (No. 1 of 1993), s10 and Sched 4.