

No. 43 of 1996.

Interim Provincial Governments Tax Act 1996.

Certified on: / /20 .

INDEPENDENT STATE OF PAPUA NEW GUINEA.



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ARRANGEMENT OF SECTIONS.

1. Interpretation.
 "Interim Provincial Government"
 "*Organic Law*"
 "previous Provincial Government"
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3. Imposition, management and collection of sales and/or service tax.
4. Rate of sales and/or service tax.
5. Rebate of sales and/or service tax.

INDEPENDENT STATE OF PAPUA NEW GUINEA.



AN ACT

entitled

Interim Provincial Governments Tax Act 1996,

Being an Act in implementation of Section 86 of the *Organic Law on Provincial Governments and Local-level Governments* to provide for and confirm the powers of the Interim Provincial Governments to impose and collect sales and services taxes and for related purposes,

MADE by the National Parliament to be deemed to have come into operation on 19 July 1995.

1. **INTERPRETATION.**

In this Act, unless the contrary intention appears—

“**Interim Provincial Government**” means an Interim Provincial Government of a Province established by Section 123(1) of the *Organic Law*;

“**Organic Law**” means the *Organic Law on Provincial Governments and Local-level Governments*;

“**previous Provincial Government**” means a Provincial Government which was established under the *Organic Law on Provincial Government* repealed by the *Organic Law*, and in relation to the Provincial Government of a Province means the previous Provincial Government for that Province;

“**Provincial Sales Tax Law**” means the laws of a previous Provincial Government imposing a provincial sales and/or service tax as in force in the Province immediately prior to 19 July 1995, and includes any amendment or replacement of such laws made subsequently by the Interim Provincial Government for that Province.

2. PROVINCIAL SALES TAX LAW TO CONTINUE IN FORCE.

A Provincial Sales Tax Law continues in force after 19 July 1995 and has full force and effect until an Act of the Parliament provides otherwise.

3. IMPOSITION, MANAGEMENT AND COLLECTION OF SALES AND/OR SERVICE TAX.

A Provincial Government shall impose, manage and collect sales and/or service tax in accordance with the provisions of the Provincial Sales Tax Law and the provisions of a Provincial Sales Tax Law are, in relation to the Province to which it applies, deemed, for the purposes of Section 86(2) of the *Organic Law*, to be provisions of this Act.

4. RATE OF SALES AND/OR SERVICE TAX.

For the purposes of Section 86(3) of the *Organic Law*, the rate of sales and/or service tax shall not exceed 4% of the sale price of sales or services and any Provincial Sales Tax Law which sets a higher rate of sales and/or service tax is hereby deemed to be amended to the maximum rate of 4%.

5. REBATE OF SALES AND/OR SERVICE TAX.

(1) Nothing in this Act shall be construed so as to prevent an Interim Provincial Government from granting a rebate of all or part of the sales and/or service tax imposed within a Province and such rebate may be granted by a reduction in the rate set by Section 4 or otherwise.

(2) Where, prior to the date of certification of this Act, an Interim Provincial Government imposed under its Provincial Sales Tax Law a rate of sales and/or service tax lower than the rate fixed by Section 4, it shall be deemed to have granted a rebate of that tax equal to the difference between the rate fixed by Section 4 and the rate actually charged.

Office of Legislative Counsel, PNG