



No. 5 of 1994.

Income Tax (Amendment No. 2) Act 1993.

Certified on : 7 April 1994

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1994.

Income Tax (Amendment No. 2) Act 1993,

ARRANGEMENT OF SECTIONS.

New Division III.1C.

"45N. INTERPRETATION."

"45O. TAX EXEMPTION PERIOD."

"45P. LOSSES INCURRED DURING THE TAX EXEMPTION PERIOD."

"45Q. GAINING IMPROPER ADVANTAGE."

"45R. OFFENCE."

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1994.

AN ACT

entitled

Income Tax (Amendment No. 2) Act 1993,

Being an Act to amend the *Income Tax Act 1959,*

MADE by the National Parliament.

NEW DIVISION III.1C.

Part III of the Principal Act is amended by inserting after Division 1B the following new Division:-

Division 1C - Bougainville Incentive.

***45N. INTERPRETATION.**

In this Division, unless the contrary intention appears -

'business enterprise' means any business which, in the opinion of the Commissioner General, is based in and carries on all or the majority of its business in Bougainville Province;

'income' means the assessable income derived from a business enterprise less the allowable deductions relating to that income, but does not include salary or wages income;

'tax' means tax on income imposed under this Act and includes tax imposed under Part III.14D, but does not include taxes imposed under Parts III.2B, III.13A, III.14, III.14A, III.14B, III.14C, III.14E, III.17 and VI.2.

***45O. TAX EXEMPTION PERIOD.**

The income derived during the period 21 April 1993 to 31 December 1996 from any business enterprise is exempt from tax.

***45P. LOSSES INCURRED DURING THE TAX EXEMPTION PERIOD.**

Where, in any year, the allowable deductions exceed assessable income so that the income referred to in Section 450 is a loss, the loss shall be deemed to be a loss incurred in deriving assessable income and shall be deductible in accordance with the provisions of Section 101 or 101A as appropriate.

***45Q. GAINING IMPROPER ADVANTAGE.**

Where the Commissioner General is of the opinion that arrangements have been made by a taxpayer individually or in conjunction with any other person, with a view to gaining an improper advantage under this Division, the amount of the exempt income calculated under this Division in respect of that taxpayer shall not exceed the amount that, in the opinion of the Commissioner General, would have been calculated if that arrangement had not been made.

Income Tax (Amendment No. 2)

***45R. OFFENCE.**

(1) A taxpayer, or where the taxpayer is a company, the company, or a public officer or a director, servant or agent of the company, who or which, by any act, default or neglect, or by any fraud or contrivance whatever, gains or attempts to gain an improper advantage or an exemption to which he or it or his company is not or would not lawfully be entitled under this Division, is guilty of an offence.

Penalty: A fine of not less than K500.00 and not exceeding K50,000.00.

"(2) In addition to any fine imposed under Subsection (1), the Court before which the action is brought may order the person or company, as the case may be, to pay to the Commissioner General a sum not exceeding double the amount of tax that, in the opinion of the Court, was avoided or attempted to be avoided.

"(3) Without derogating the provisions of any other law, where the Court is satisfied that the commission of an offence against this section was counselled or assisted in any way by any other person (whether in a professional or other capacity) the Court may order that person to be liable, or jointly and severally liable with any other person, for the payment of the additional tax under Subsection (2)."

I hereby certify that the above is a fair print of the *Income Tax (Amendment No.2) Act 1993* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Income Tax (Amendment No. 2) Act 1993* was made by the National Parliament on 18 August 1993.

Speaker of the National Parliament.