



No. 62 of 1996.

Gaming Machine (Budget Provisions No.2 1997) Act 1996.

Certified on : 10.02.97

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1996.

Gaming Machine (Budget Provisions No.2 1997) Act 1996.

ARRANGEMENT OF SECTIONS.

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 - "permit holder"
 - "site"
 - "site owner"

2. Definitions (Amendment of Section 65) -
 - "betting tax"
 - "gross profits"
 - "payouts"
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3. Amount returnable in prizes (Amendment of Section 66).
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"67A. BETTING TAX."

6. Repeal and replacement of Section 67B.

"67B. POWERS OF COMMISSIONER GENERAL IN RELATION TO BETTING TAX."

7. Repeal and replacement of Section 67C.

"67C. OFFENCES IN RELATION TO BETTING TAX."

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1996.

AN ACT

entitled

Gaming Machine (Budget Provision No.2 1997) Act 1996,

Being an Act to amend the *Gaming Machine Act 1993,*

MADE by the National Parliament -

- (a) in respect of Section 4 - to be deemed to have come into operation on 19 November 1996; and
- (b) in respect of the remainder of the Act - to be deemed to have come into operation on 1 October 1996.

1. INTERPRETATION (AMENDMENT OF SECTION 2).

Section 2 of the Principal Act is amended -

- (a) by repealing the definition of "permit holder' or 'holder of a permit'" and replacing it with the following: -

"permit holder' or 'holder of a permit' means a club, hotel, motel, tavern or other premises as are considered appropriate in the considered judgement of the Board for the purpose of gaming machines in respect of which a permit granted under this Act is in force authorizing the permit holder -

- (a) to keep an authorized gaming machine on specified premises; and
- (b) to operate a gaming machine so kept;"; and

- (b) by repealing the definition of "site" and replacing it with the following:-

"site' means the premises of a club, hotel, motel, tavern or such other premises as are considered appropriate in the deliberate judgement of the Board for the purpose of gaming machines;"; and

- (c) by repealing the definition of "site owner" and replacing it with the following:-

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“site owner’ means the licensee of specified premises of a club, hotel, motel or tavern or the owner of such other specified premises as are considered appropriate in the deliberate judgement of the Board for the purpose of gaming machines;”.

2. DEFINITIONS (AMENDMENT OF SECTION 65).

Section 65 of the Principal Act is amended -

- (a) by inserting before the definition of "cancelled credits payment" the following new definition:-

"'betting tax' means the betting tax due and payable under Section 67A;"; and

- (b) by inserting after the definition of "cancelled credits payment" the following new definition:-

"'gross profit' means the excess of revenue over payouts;"; and

- (c) by repealing the definition of "payouts" and replacing it with the following:-

"'payouts' means cancelled credit payments, jackpot payments, refills and short pays;"; and

- (d) by repealing the definition of "profits" and replacing it with the following:-

"'profits' means gross profit less betting tax paid or due and payable under Section 67A.

3. AMOUNT RETURNABLE IN PRIZES (AMENDMENT OF SECTION 66).

Section 66 of the Principal Act is amended by repealing the amount "70%" and replacing it with the following:-

"85%".

4. DISTRIBUTION OF PROFITS (AMENDMENT OF SECTION 67).

Section 67(2) of the Principal Act is amended -

- (a) in Paragraph (a), by repealing the percentage "40%" and replacing it with the following:-

"35%"; and

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(b) in Paragraph (c), by repealing the percentage "5%" and replacing it with the following:-

"10%".

5. REPEAL AND REPLACEMENT OF SECTION 67A.

Section 67A of the Principal Act is repealed and is replaced with the following:-

"67A. BETTING TAX.

(1) In this Part -

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

'operator' means the holder of an operator's licence.

"(2) A betting tax of 20% is payable by an operator on the amount of gross profit.

"(3) The betting tax imposed by Subsection (2) is a debt due and payable by an operator to the State and shall, in respect of the total gross profit collected each week, be paid by that operator to the Commissioner General on or before the first Friday after the end of that week or within such further time as the Commissioner General allows.

"(4) An operator shall send to the Commissioner General with every amount of betting tax payable by him a return, in such form as the Commissioner General requires, setting out particulars of the gross profit and betting tax payable by the operator in respect of that week.

"(5) Where the Commissioner General is of the opinion that the amount of betting tax payable by an operator in respect of any week has been understated or cannot be correctly determined, the Commissioner General may make an assessment of the amount that he considers is the correct amount of betting tax for that week and the amount so assessed shall, unless the contrary is proved, be deemed to be the amount of betting tax payable by the operator in respect of that week.

"(6) The Commissioner General shall, within seven days immediately after making an assessment under this section, send to the operator by post, a notice of the assessment, but this section shall not be construed as deferring the date on which any amount of betting tax becomes due and payable.

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"(7) Part V of the *Income Tax Act 1959* shall, with the necessary modifications, apply to and in relation to an assessment of betting tax under this section as if that assessment was an assessment of income tax under that Act by the Commissioner General.

"(8) Where any amount of betting tax remains unpaid after the expiration of the time provided for payment under this section, additional tax of 20% of the amount unpaid shall be due and payable to the State.

"(9) An amount of additional tax under this section shall be deemed to be betting tax due and payable by the operator in respect of the week to which the unpaid tax relates.

"(10) In addition to any additional tax imposed by Subsection (8), where any betting tax remains unpaid after the time provided for its payment under this section, further additional betting tax is due and payable at the rate of 20% per annum on the amount unpaid, computed from such date as the Commissioner General determines, not being a date before the date on which the betting tax was originally due and payable.

"(11) The Commissioner General may, in any case, for reasons that he thinks sufficient, remit the further additional betting tax or any part of that betting tax."

6. **REPEAL AND REPLACEMENT OF SECTION 67B.**

Section 67B of the Principal Act is repealed and is replaced with the following:-

"67B. POWERS OF COMMISSIONER GENERAL IN RELATION TO BETTING TAX.

(1) The Commissioner General or a person authorized by him for the purpose shall at all times have full and free access to all buildings, places, books, documents, other papers and electronic storage devices for the purpose of obtaining information relating to the determination of the gross profit of and the liability to pay betting tax under this section by an operator and may make extracts from or copies of any such books, papers or electronically stored information.

"(2) The Commissioner General may -

(a) by written notice, require an operator to furnish him with such information as he may require; and

(b) to attend and give evidence before him (or before a person authorized by him for the purpose),

concerning the operation of the gaming machines and the amount of gross profit of those machines and may require him to produce books, documents and other papers in his custody, or under his control relating to those matters.

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"(3) The Commissioner General may require the information or evidence referred to in Subsection (2)(a) to be given under oath, orally or in writing and for that purpose he, or the person authorized by him, may administer an oath.

"(4) An operator required to attend and give evidence under this subsection shall be paid such reasonable expenses as the Commissioner General determines."

7. **REPEAL AND REPLACEMENT OF SECTION 67C.**

Section 67C of the Principal Act is repealed and is replaced with the following:-

"67C. OFFENCES IN RELATION TO BETTING TAX.

(1) An operator who -
(a) fails or neglects to lodge; or
(b) makes a false or misleading statement in,
a return to be lodged with the Commissioner General under Section 67A is guilty of an offence.

Penalty: A fine not less than K1,000 and not exceeding K10,000
Default Penalty: A fine not exceeding K1,000.

"(2) In addition to any penalty imposed by the court under Subsection (1) in respect of a false or misleading statement in a return, the court may order the person convicted to pay to the Commissioner General a sum not exceeding double the amount of betting tax that would have been avoided if the statement in the return had been accepted as correct.

"(3) On the conviction of a person under Subsection (1), the court may order him to furnish the return or a corrected return as the case may be, within the time specified in the order and a person who does not comply with such an order is guilty of an offence.

Penalty: A fine not less than K1,000 and not exceeding K10,000.

"(4) An operator who fails -
(a) to keep complete and proper books in respect of his carrying on the business of operator; or
(b) to enter and keep entered in the books specified in Paragraph (a) a full and accurate record of all gaming machine transactions relating to the machines controlled by him; or
(c) to retain the books specified in Paragraph (a) for such period as is prescribed; or

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(d) to produce the books specified in Paragraph (a) when required to do so by the Commissioner General or a person authorized by him for the purpose and to allow the books and all entries in the books to be inspected,

is guilty of an offence.

Penalty: A fine not exceeding K2,000.

"(5) A person, who hinders or obstructs the Commissioner General or a person authorized by the Commissioner General under this section, or a member of the Police Force in the carrying out, exercise or performance of any of his functions, duties and powers under this section, is guilty of an offence.

Penalty: A fine not exceeding K2,000."

I hereby certify that the above is a fair print of the *Gaming Machine (Budget Provisions No.2 1997) Bill 1996* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Gaming Machine (Budget Provisions No.2 1997) Bill 1996* was made by the National Parliament on 11 December 1996.

Speaker of the National Parliament.