

Rec'd
14/8/2001

No. 61 of 2000

Value Added Tax Revenue Distribution (Budget Provisions 2001) Act 2000.

Certified on: 02/02/2001

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. 61 of 2000.

AN ACT

entitled

Value Added Tax Revenue Distribution (Budget Provisions 2001) Act 2000,

Being an Act to amend the *Value Added Tax Revenue Distribution Act 1998,*

MADE by the National Parliament to come into operation on 1 January 2001.

1. INTERPRETATION (AMENDMENT OF SECTION 1).

Section 1 of the Principal Act is amended-

- (a) by repealing the definition of "mining levy"; and
- (b) by inserting before the definition of "Provincial VAT Trust Account" the following:-

"net VAT collections" means VAT collected pursuant to Sections 6 and 8 of the *Value Added Tax Act 1998*, less any refunds paid pursuant to Section 87 of the *Value Added Tax Act 1998*"; and

- (c) by repealing the definition of "top up distributions."

2. REPEAL AND REPLACEMENT OF SECTION 5.

The Principal Act is amended by repealing Section 5 and replacing it with the following:-

"5. ADDITIONAL REVENUE TO BE PAID INTO PROVINCIAL VAT TRUST ACCOUNTS.

Such additional amounts shall be paid into the Provincial VAT Trust Accounts as are required to meet-

- (a) any shortfall between the amounts deposited into a Provincial VAT Trust Account and the amounts needed to meet the revenue entitlement of that province pursuant to Section 6; and
- (b) interest accrued on deposits made into the Provincial VAT Trust Accounts."

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3. REPEAL AND REPLACEMENT OF SECTION 6.

The Principal Act is amended by repealing Section 6 and replacing it with the following:-

"6. VALUE OF DISTRIBUTIONS TO PROVINCES.

(1) In this section-

"excess" means the amount, if any, by which 30% of projected net VAT collections in the year of payment exceeds the total of monthly entitlements for all provinces during the period January to December of the previous year, and shall be zero in a year for which 30% of projected net VAT collections are less than the total monthly entitlements for all provinces in the period January to December of the previous year.

(2) In the calendar year 2001 and in subsequent years, each province shall be paid each month:-

- (a) an amount equal to the monthly entitlement of the province during the period January to December of the previous year; and
- (b) an amount calculated as follows-
 - y multiplied by z where-
 - y = the excess; and
 - z = the proportion VAT revenue collected in the province in the previous year was to total VAT collections in all provinces in that year."

4. REPEAL AND REPLACEMENT OF SECTION 7.

The Principal Act is amended by repealing Section 7 and replacing it with the following:-

"7. ORDER OF PRECEDENCE OF DISTRIBUTIONS FROM THE TRUST ACCOUNTS.

Revenue held in the Trust Accounts established under this Act is appropriated and shall be paid and distributed as follows:-

- (a) for the National VAT Trust Account-
 - (i) the first charge shall be for the payment of refunds of value added tax revenue; and

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- (ii) the second charge on the account shall be distributions due and payable to Provincial Governments by virtue of Section 5; and
 - (iii) the balance remaining shall be paid to the Consolidated Revenue Fund;
- (b) for each Provincial VAT Trust Account-
- (i) the first charge on the account shall be the amount due and payable to that Provincial Government by virtue of Section 6; and
 - (ii) the second charge on the account shall be for the payment of collection administration expenses of the Trust Accounts; and
 - (iii) the balance remaining shall be paid to the Consolidated Revenue Fund for the payment of refunds of value added tax."

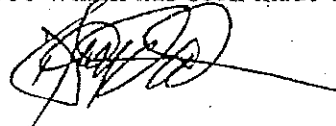
5. REPEAL AND REPLACEMENT OF SECTION 9.

The Principal Act is amended by repealing Section 9 and replacing it with the following:-

"9. TIME OF DISTRIBUTION OF REVENUE TO THE PROVINCES.

A province shall, within 21 days of the end of each month, be entitled to receive the total amount of revenue paid into its respective Provincial VAT Trust Account subject to the limit set by Section 6."

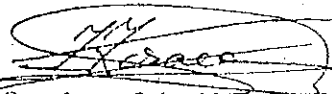
I hereby certify that the above is a fair print of the *Value Added Tax Revenue Distribution (Budget Provisions 2001) Act 2000* which has been made by the National Parliament.



Acting Clerk of the National Parliament.

0 2 FEB 2001

I hereby certify that the *Value Added Tax Revenue Distribution (Budget Provisions 2001) Act 2000* was made by the National Parliament on 7 December 2000.



Acting Speaker of the National Parliament.

0 2 FEB 2001