

Independent State Of Papua New Guinea

2025 NATIONAL BUDGET

2025 APPROPRIATION BILLS AND TAXATION AMENDMENT BILLS

"Securing Papua New Guinea in 2025 and Beyond"

FOR THE YEAR ENDING 2025

On the Occasion of the Presentation of the 2025 National Budget



2025 National Budget

Table of content:

Certificate - 2025 Appropriation Bills

1. Appropriation (General Public Service 2025), Bill 2024
2. Appropriation (National Parliament 2025), Bill 2024
3. Appropriation (Judiciary Services 2025), Bill 2024

Certificate - Taxation Amendment Bills

4. Excise Tariff (2025 Budget) (Amendment) Bill 2024
5. Goods and Services Tax (2025 Budget) (Amendment) Bill 2024
6. Income Tax (2025 Budget) (Amendment) Bill 2024
7. Income Tax (Salary and Wages Tax) (Rates) (2025 Budget) (Amendment) Bill 2025
8. Income Tax. Dividend (Withholding) Tax and Interest (Withholding) Tax (Rates) (2025 Budget) (Amendment) Bill 2024
9. Stamp Duties (2025 Budget) (Amendment) Bill 2024
10. Income Tax (2025 Budget) (Amendment) Regulation 2024

Certificate - Fiscal Responsibility

11. Papua New Guinea Fiscal Responsibility (Amendment) Bill, 2024

On the Occasion of the Presentation of the 2025 National Budget



2025 National Budget

2025 APPROPRIATION BILL

**(GENERAL PUBLIC SERVICES EXPENDITURE
2025), BILL 2024**

EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL PARLIAMENT

APPROPRIATION (GENERAL PUBLIC SERVICE EXPENDITURE 2025) BILL 2024

FOR THE YEAR ENDING 31 DECEMBER 2025

The purpose of the *Appropriation (General Public Services 2025) Bill 2024* is to appropriate a sum of K27,591,357,826.00 for expenditure for the year ending 31 December 2025 as required under Section 209(2)(c) of the Constitution as amended.

This Bill will establish total appropriations in 2025 of K27,591,357,826.00, of which Operational expenditure is **K17,288,697,826.00** consisting of –

Operational Expenditure	K17,288,697,826.00
Personnel Emoluments	K7,401,995,516.00
Goods and Services	K4,515,676,256.00
Functional Grants	K 706,126,054.00
Debt Interest	K 3,522,500,000.00
GST and BMT transfers	K 1,142,400,000.00

This Bill will also establish total appropriations in 2025 of **K10,302,660,000.00**, in Capital expenditure for Capital Investment projects consisting of –

Capital Expenditure	K10,302,660,000.00
Direct Government Funding	K 7,576,800,000.00
Concessional Loans	K1,225,910,000.00
Donor Grants	K1,499,950,000.00

The total amount of Debt Amortization required to meet the State's debt repayment obligations is deemed to be appropriated, and the Minister may issue out of the Consolidated Revenue Fund and apply for the activity of debt amortization for the financial year ending 31 December 2025 this amount.

This is a financing item and so is not available for expenditure in sectors. As a result, this amount is not included in the discussion of budget expenditure contained in Volume 1. Under the Constitution, these loan repayments must be agreed to by the Parliament.

The *Appropriation (General Public Services 2025) Bill 2024* has One Part covering sixteen sections.

Section One - Allows the Minister responsible for treasury matters to issue out of the Consolidated Revenue Fund and apply for the activities of the General Public Service for the financial year ending 31 December 2025, the debt amortisation as deemed appropriated under Section 4 and the sum of **K27,591,357,826.00**, that shall be made up of the cumulative total of Sections 2 and 3.

Section Two – Allows the Minister responsible for treasury matters to issue out of the Consolidated Revenue Fund and apply for the activity of operational expenditure for the financial year ending 31 December 2025, the sum of **K17,288,697,826.00**,

Section Three – Allows The Minister responsible for treasury matters may issue out of the Consolidated Revenue Fund and apply for the activity of capital expenditure for the year ending 31 December 2025, the sum of **K10,302,660,000.00**.

Section Four – Provides for the total amount of Debt Amortization required to meet the State's debt repayment obligations as deemed appropriations, and the Minister may issue out of the Consolidated Revenue Fund and apply for the activity of debt amortization for the financial year ending 31 December 2025 this amount.

Section Five – Provides for sums granted by this Act out of the Consolidated Revenue Fund for the financial year ending 31 December 2025 to be appropriated for the activities of the agencies referred to in Volume 2A, 2B, 2C and 2D of the Budget Publications.

For the purpose of identifying the activities of agencies (both operational and directly financed capital expenditure) referred to in this Act, Volume 2A, 2B, 2C and 2D of the 2025 Budget publication shall be considered relevant documents.

Where additional donor grants are received in the financial year ending 31 December 2025, the additional donor grants may be issued out of the Consolidated Revenue Fund and appropriated to capital expenditures with the approval of the Treasurer.

When amounts appropriated for either donor grants or concessional loans are not received from the respective donors in the year ending 31 December 2025, these appropriations may not be issued from the Consolidated Revenue Fund and shall lapse.

All appropriations made under this Act lapse at the end of the 2025 fiscal year and where an amount is warranted but not spent against in the 2025 fiscal year, appropriations may not be issued from the Consolidated Revenue Fund and will lapse

Section Six - Identifies the circumstances under which the Minister may direct the reallocation of any unexpended appropriation for an activity under this Act to appropriations for other activities under this Act.

Reallocation of appropriations under this section may only occur where the following conditions are met:

- (a) there is insufficient appropriation to meet expenditure for an activity; and
- (b) the reallocation of appropriation will not cause an overspend; and
- (c) the reallocation of appropriation was unforeseen at the time of making this Act;

Reallocation of appropriations may also occur where the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea.

Reallocations authorised under other provisions of this Act do not count towards the limit prescribed in Section Six, Subsection (3) of the General Public Service appropriation bill; and the Minister responsible for treasury shall not, under this section, transfer from operational expenditure to capital expenditure.

Section Seven – Identifies the circumstances under which the Minister responsible for treasury matters may direct the reallocation of the following funding:

- (a) Transfers out of Division 207 – Crosscutting Activities; and
- (b) Government Tuition Fee Subsidy (GTFS) to Division 207 for the purpose of execution of the Government Tuition Fee Subsidy.

The Minister responsible for treasury matters may direct the reallocation of the appropriation entitled “Contingency Fund” in Volume 2A which is appropriated -

- (a) to Division 207 - Crosscutting Activities, for any activity under operational and capital expenditure; and
- (b) to new activities and to activities of the National Parliament or the Judiciary.

Reallocation of the appropriation under Section seven, Subsection (2) may only occur where the total appropriation reallocated does not exceed the aggregate of the net appropriation for the Contingency Fund.

The appropriation for "Contingency Fund" may only be increased by Parliament, and reallocations made under this Act may not be made into the "Contingency Fund".

Further to this, where in the reasonable opinion of the Minister an agency will spend or has spent more than has been appropriated for personal emoluments, the Minister may direct the reallocation of that agency's unexpended appropriations to cover that agency's personal emoluments and where in the reasonable opinion of the Minister an agency will spend or has spent more than has been appropriated, the Minister may direct the reallocation of that agency's unexpended appropriations to ensure that the agency does not spend more money than has been appropriated to that agency.

Section Eight – Identifies the circumstances under which the Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded from a concessional loan where -

- (a) there is insufficient appropriation to meet expenditure for that other capital expenditure activity; and
- (b) the transfer is requested to by the organisation providing the concessional loan;
and
- (c) the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea, to another capital expenditure included in Volume 2A, 2B, 2C and 2D of the 2025 Budget publication and funded by a concessional loan.

Section Nine - Identifies the circumstances under which the Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded by Grants identified in Volume 2A, 2B, 2C and 2D of the 2025 Budget publications where -

- (a) there is insufficient appropriation to meet expenditure for a capital expenditure activity; and
- (b) the transfer is requested by the donor providing the grant; and
- (c) the Minister responsible for treasury matters believes the need for reallocation of appropriation is necessary for the delivery of essential services to the people of Papua New Guinea, to other capital expenditure activities identified in that volume of the Budget publications.

Section Ten – identifies the circumstances under which the Minister responsible for treasury matters may authorise the reallocation of any unexpended appropriation for interest, fees or charges held under Division 299, and this reallocation may only be for activities identified in Division 207 or within Division 299.

Reallocation of appropriation shall only occur after the following conditions have been met:

- (a) to an extent, projections of interest, fees or charges for the 2025 year, are published in a notification on the Department of Treasury website, issued by the Departmental Head responsible for treasury matters, asserting that they are lower than the projections of interest, fees or charges for the 2025 year published in Volume 1 of the Budget publication; and
- (b) the Departmental Head responsible for treasury matters publishes a notice on the Department of Treasury website identifying the amount reallocated from Division 299, the circumstances justifying the reallocation and the remaining balance of the Division; and
- (c) the total amount of reallocation of appropriation for interest, fees or charges shall not exceed the sum of K528,375,000.00; and
- (d) the Minister responsible for treasury matters shall not delegate the authority to reallocate unexpended appropriations held under Division 299.

Section Eleven – Provides for where an activity is transferred from one agency to another, the authority conferred under this Act extends to the reallocation or transfer of the remaining appropriation for that activity to the agency now responsible for the activity.

Section Twelve – Requires the publication of a quarterly report on the Department's website of all adjustments and reallocations of appropriations made under this Act.

The report shall identify -

- (a) the division number and name; and
- (b) the initial appropriation for the division;
- (c) details of program and economic item transferred; and
- (d) the current appropriation for the division.

Section Thirteen - Requires that a copy of each direction under this Act shall be made available to the Auditor-General within one month of a request by the Auditor-General.

Section Fourteen – Provides the schedule for project loans listed and approved to be negotiated and entered into by the State and that only loans listed in the Schedule shall only be drawn down against, and to the extent authorised under, the relevant appropriations for the projects listed in Volumes 2 and 3. The loans listed in the Schedule lapse at the end of the 2025 fiscal year.

Section Fifteen – The State is permitted to make payments on guarantees listed in Schedule 2 of this Act, provided they have been called upon by the Bank of South Pacific during the 2025 fiscal year.

However, inclusion in Schedule 2 does not create an automatic obligation for the State to fulfill these payments. The decision to proceed with any payment depends on meeting the conditions set out in other applicable laws and agreements. This ensures that the payments are only made in circumstances where all relevant legal and contractual requirements are satisfied.

The provision balances the State's commitment to honouring guarantees with the need for fiscal prudence and legal compliance. Ultimately, the inclusion in Schedule 2 serves as an acknowledgment of potential obligations rather than an absolute mandate. The State's ability to fulfill these guarantees is therefore subject to oversight and adherence to existing fiscal frameworks.



CERTIFICATE.

I, certify that I have drafted the *Appropriation (General Public Services Expenditure 2025) Bill 2024* (Draft of 27/11/2024) in accordance with the National Executive Council Decision No: 295/2024 dated 25th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink, which appears to read "M Toliman".

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.



No. of 2024.

Appropriation (General Public Services Expenditure 2025) Bill 2024.

ARRANGEMENT OF CLAUSES.

1. Grant for General Public Service Expenditure.
2. Grant for Operational Expenditure.
3. Grant for Capital Expenditure.
4. Debt Amortisation deemed Appropriation.
5. Appropriation.
6. Adjustment of Appropriations between activities.
7. Adjustment of Appropriations for identified matters.
8. Adjustment of Appropriations for Capital Expenditure funded from Concessional Loans.
9. Adjustment of Appropriations for Capital Expenditure funded by Grants.
10. Reallocation of amounts from Division 299 - Debt Services.
11. Transfer of activities between agencies.
12. Directions to be published.
13. Direction to reallocate appropriations to be available to Auditor-General.
14. Project Loans approved to be considered, negotiated and entered into by the State.
15. Guarantees approved to be paid by the State.

SCHEDULE 1.

SCHEDULE 2.



A BILL

For

AN ACT

entitled

Appropriation (General Public Services Expenditure 2025) Bill 2024,

Being a Bill to appropriate out of the Consolidated Revenue Fund a sum for the General Public Service for Operational and Capital investment expenditure and Debt Amortisation for the year ending 31 December 2025,

Made by the National Parliament.

1. GRANT FOR GENERAL PUBLIC SERVICE EXPENDITURE.

The Minister responsible for treasury matters may -

- (a) issue out of the Consolidated Revenue Fund; and
- (b) apply for the activities of the General Public Service for the year ending 31 December 2025,

the debt amortisation as deemed appropriated under Section 4 and the sum of K27,591,357,826.00, which makes up of the cumulative total of Sections 2 and 3.

2. GRANT FOR OPERATIONAL EXPENDITURE.

The Minister responsible for treasury matters may -

- (a) issue out of the Consolidated Revenue Fund; and
- (b) apply for the activity of operational expenditure for the year ending 31 December 2025,

the sum of K17,288,697,826.00, which includes -

Operational Expenditure	K17,288,697,826.00
Personnel Emoluments	K7,401,995,516.00
Goods and Services	K4,515,676,256.00
Functional Grants	K 706,126,054.00
Debt (Interest Repayment)	K 3,522,500,000.00
GST & BMT Transfers	K 1,142,400,000.00

Appropriation (General Public Services Expenditure 2025)

3. GRANT FOR CAPITAL EXPENDITURE.

The Minister responsible for treasury matters may -

- (a) issue out of the Consolidated Revenue Fund; and
- (b) apply for the activity of capital expenditure for the year ending 31 December 2025,

the sum of K10,302,660,000.00, which includes -

Capital Expenditure	K10,302,660,000.00
Direct Government Funding	K 7,576,800,000.00
Concessional Loans	K1,225,910,000.00
Donor Grants	K1,499,950,000.00

4. DEBT AMORTISATION DEEMED APPROPRIATION.

(1) The total amount of Debt Amortisation required to meet the State's debt repayment obligations is deemed to be appropriated.

(2) The Minister responsible for treasury matters may issue out of the Consolidated Revenue Fund and apply for the activity of debt amortization for the year ending 31 December 2025 the amount deemed to be appropriated.

5. APPROPRIATION

(1) Sums granted by this Act out of the Consolidated Revenue Fund for the year ending 31 December 2025 are appropriated for the activities of the agencies referred to in Volume 2A, 2B, 2C and 2D of the Budget Publications.

(2) For the purpose of identifying the activities of agencies (both operational and directly financed capital expenditure) referred to in this Act, Volume 2A, 2B, 2C and 2D of the 2025 Budget publication shall be considered relevant documents.

(3) Where additional donor grants are received in the year ending 31 December 2025, they may be issued out of the Consolidated Revenue Fund and appropriated to capital expenditures with the approval of the Treasurer.

(4) When amounts appropriated for either donor grants or concessional loans are not received from the respective donors in the year ending 31 December 2025, these appropriations may not be issued from the Consolidated Revenue Fund and shall lapse.

(5) All appropriations made under this Act lapse at the end of the 2025 fiscal year.

(6) Where an amount is warranted but not spent against in the 2025 fiscal year, appropriations may not be issued from the Consolidated Revenue Fund and will lapse.

6. ADJUSTMENT OF APPROPRIATIONS BETWEEN ACTIVITIES.

(1) Subject to Subsections (2), (3), (4) and (5), the Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for an activity under this Act to appropriations for other activities under this Act.

Appropriation (General Public Services Expenditure 2025)

(2) Reallocation of appropriation under this section may only occur where the following conditions are met:

- (a) there is insufficient appropriation to meet expenditure for an activity; and
- (b) the reallocation of appropriation will not cause an overspend; and
- (c) the reallocation of appropriation was unforeseen at the time of making this Act; and
- (d) the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea.

(2) The total amount of reallocated appropriation authorised under this section shall not exceed K2,684,690,277.00

(3) Reallocations authorised under other provisions of this Act do not count towards the limit prescribed in Subsection (3).

(4) The Minister responsible for treasury shall not, under this section, transfer from operational expenditure to capital expenditure.

7. ADJUSTMENT OF APPROPRIATIONS FOR IDENTIFIED MATTERS

(1) The Minister responsible for treasury matters may direct the reallocation of the following funding:

- (a) subject to Subsections (2), (3) and (4), Transfers out of Division 207 - Crosscutting Activities; and
- (b) Government Tuition Fee Subsidy (GTFS) to Division 207 for the purpose of execution of the Government Tuition Fee Subsidy.

(2) The Minister responsible for treasury matters may direct the reallocation of the appropriation entitled "Contingency Fund" in Volume 2A which is appropriated to Division 207 - Crosscutting Activities -

- (a) for any activity under operational and capital expenditure; and
- (b) to new activities and to activities of the National Parliament or the Judiciary.

(3) Reallocation of the appropriation under Subsection (2) may only occur where the total appropriation reallocated does not exceed the aggregate of the net appropriation for the Contingency Fund.

(4) The appropriation for "Contingency Fund" may only be increased by Parliament, and reallocations made under this Act may not be made into the "Contingency Fund".

(5) A new activity created by reallocation from "Contingency Fund" under Subsection (2)(b) only receives further reallocation from "Contingency Fund".

(6) Where, in the reasonable opinion of the Minister responsible for treasury matters, an agency will spend or has spent more than has been appropriated for personal emoluments, the Minister responsible for treasury matters may direct the reallocation of that agency's unexpended appropriations to cover that agency's incurred personal emolument expenditure.

Appropriation (General Public Services Expenditure 2025)

(7) Where, in the reasonable opinion of the Minister responsible for treasury matters, an agency will spend or has spent more than has been appropriated, the Minister responsible for treasury matters may direct the reallocation of that agency's unexpended appropriations to ensure that the agency does not spend more money than has been appropriated to that agency.

8. ADJUSTMENT OF APPROPRIATIONS FOR CAPITAL EXPENDITURE FUNDED FROM CONCESSIONAL LOANS.

The Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded from a concessional loan to another capital expenditure included in Volume 2A, 2B, 2C or 2D of the 2025 Budget publication and funded by a concessional loan where -

- (a) there is insufficient appropriation to meet expenditure for that other capital expenditure activity; and
- (b) the transfer is requested to by the organisation providing the concessional loan; and
- (c) the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea.

9. ADJUSTMENT OF APPROPRIATIONS FOR CAPITAL EXPENDITURE FUNDED BY GRANTS.

The Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded by Grants to another capital expenditure included in Volume 2A, 2B, 2C or 2D of the 2025 Budget publications where -

- (a) there is insufficient appropriation to meet expenditure for a capital expenditure activity; and
- (b) the transfer is requested by the donor providing the grant; and
- (c) the Minister responsible for treasury matters believes the need for reallocation of appropriation is necessary for the delivery of essential services to the people of Papua New Guinea.

10. REALLOCATION OF AMOUNTS FROM DIVISION 299 - DEBT SERVICES

(1) The Minister responsible for treasury matters may authorise the reallocation of any unexpended appropriation for interest, fees or charges held under Division 299, and this reallocation may only be for activities identified in Division 207 or within Division 299.

(2) Reallocation of appropriation is permitted to only occur after the following conditions have been met:

- (a) to the extent that projections of interest, fees or charges for the 2025 year are published in a notification on the Department of Treasury website, issued by the Departmental Head responsible for treasury matters, asserting that they are lower than the projections of interest, fees or charges for the 2025 year published in Volume 1 of the Budget publication; and
- (b) the Departmental Head responsible for treasury matters publishes a notice on the Department of Treasury website identifying the amount reallocated from Division 299, the circumstances justifying the reallocation and the remaining balance of the Division; and
- (c) the total amount of reallocation of appropriation for interest, fees or charges shall not exceed the sum of K528,375,000.00; and

Appropriation (General Public Services Expenditure 2025)

- (d) the Minister responsible for treasury matters may not delegate the authority to reallocate unexpended appropriations held under Division 299.

11. TRANSFER OF ACTIVITIES BETWEEN AGENCIES.

Where an activity is transferred from one agency to another, the authority conferred under this Act extends to the reallocation or transfer of the remaining appropriation for that activity to the agency now responsible for the activity.

12. DIRECTIONS TO BE PUBLISHED.

(1) The Departmental Head responsible for treasury matters shall publish a quarterly report on the Department's website of all adjustments and reallocations of appropriations made under this Act.

(2) The report shall identify -

- (a) the division number and name; and
- (b) the initial appropriation for the division; and
- (c) details of program and economic item transferred; and
- (d) the current appropriation for the division.

(3) The Minister responsible for treasury matters shall notify an agency affected by a transfer within one month of the transfer being made.

13. DIRECTION TO REALLOCATE APPROPRIATIONS TO BE AVAILABLE TO AUDITOR-GENERAL.

A copy of each direction under this Act shall be made available to the Auditor-General within 1 month of a request by the Auditor-General.

14. PROJECT LOANS APPROVED TO BE CONSIDERED, NEGOTIATED AND ENTERED INTO BY THE STATE.

(1) The project loans listed in Schedule 1 are approved to be considered, negotiated and entered into by the State.

(2) The approval granted for the loans listed in Schedule 1 lapses at the end of the 2025 fiscal year.

(3) Loans entered into by the State under this section may only be drawn down against, and to the extent authorised under, the relevant appropriations for the projects listed in Volume 2 and 3.

(4) The list in Schedule 1 does not bind the State to enter into these loans, and completion of these loans is contingent on compliance with other relevant legislation.

15. GUARANTEES APPROVED TO BE PAID BY THE STATE.

(1) The State is authorised to make payments on the guarantees listed in Schedule 2 which have been called by Bank of South Pacific in the 2025 fiscal year.

Appropriation (General Public Services Expenditure 2025)

(2) The list in Schedule 2 does not bind the State to make these payments and completion of these payments is contingent on compliance with other relevant legislation and agreements.

**SCHEDULE 1. - PROJECT LOANS APPROVED TO BE CONSIDERED,
NEGOTIATED AND ENTERED INTO BY THE STATE.**

Project	Implementing Agency
Papua New Guinea Electrification Project.	Papua New Guinea Power Ltd
Trans National Highway.	Department of Works and Highways
Urban Water Supply and Sanitation Security and Resilience Improvement Program.	Water Papua New Guinea
Kimbe Hospital.	National Department of Health
Gerehu General Hospital.	National Department of Health
Sustainable Highlands Regional Road Network.	Department of Works and Highways
Learning Enhancement Access Project.	Department of Education
Wewak Port.	Papua New Guinea Ports
Vanimo Port.	Papua New Guinea Ports
Sustainable Energy Sector Development Program.	Papua New Guinea Power Limited
Mountainous Road Improvement and Resilience Project.	Department of Works and Highways
Rabaul Port.	Papua New Guinea Ports
Rural Service Delivery Project 2.	Department of Provincial and Local-level Government
Climate Resilient Transport Project Readiness Facility.	Department of Works and Highways and Department of Transport
Improving Financial Access.	Bank of Papua New Guinea
Manus East-West Highway Upgrade.	Department of Works and Highways
Kokopau to Arawa Upgrade.	Department of Works and Highways
Rai Coast Highway Upgrade.	Department of Works and Highways
Water Wise Communities Papua New Guinea	Water Papua New Guinea
Selected Road and Highway Upgrade	Department of Works and Highways

**SCHEDULE 2. - GUARANTEES CALLED APPROVED FOR PAYMENT BY
THE STATE.**

Guarantee Called
Central Dairy
Motukea Wharf



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

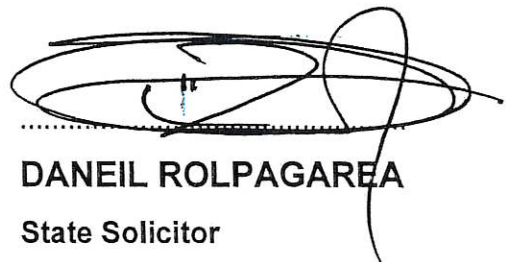
CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Appropriation (General Public Services Expenditures 2025) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 27th day of November 2024



DANEIL ROLPAGAREA
State Solicitor



2025 Budget Presentation

2025 APPROPRIATION BILL

(NATIONAL PARLIAMENT 2025), BILL 2024

**EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL
PARLIAMENT**

APPROPRIATION (NATIONAL PARLIAMENT 2025) BILL 2024

FOR THE YEAR ENDING 31 DECEMBER 2025

The purpose of the *Appropriation (National Parliament 2025) Bill 2024* is to:

- (a) Provide the sum of K386,700,000.00 for the activities of the National Parliament for the year ending 31 December 2025, as required under Section 209 (2)(b)(i) of the Constitution as amended.



No. of 2024.

Appropriation (National Parliament 2025) Bill 2024.

ARRANGEMENT OF CLAUSES.

1. Grant of K386,700,000.00.
2. Appropriation.
3. Adjustment of appropriations for identified matters.

SCHEDULE.



A BILL

For

AN ACT

entitled

Appropriation (National Parliament 2025) Bill 2024,

Being a Bill to appropriate out of the Consolidated Revenue Fund a sum for the National Parliament for Operational and Capital Expenditure for the year ending 31 December 2025.

MADE by the National Parliament.

1. GRANT OF K386,700,000.00.

Subject to authorisation from the Treasurer, the Secretary for Treasury may issue out of the Consolidated Revenue Fund and apply for the operational and capital expenditure of the National Parliament for the year ending 31 December 2025 the sum of K386,700,000.00.

2. APPROPRIATION.

Sums granted by this Act out of the Consolidated Revenue Fund for the year ending 31 December 2025 are appropriated for the operational and capital expenditure of the National Parliament listed in the Schedule to this Act.

3. ADJUSTMENT OF APPROPRIATIONS FOR IDENTIFIED MATTERS.

(1) Appropriations for the National Parliament may only be increased by reallocations from "Contingency Fund" in Volume 2A, which is appropriated to Division 207 - Crosscutting Activities.

(2) Appropriations for the National Parliament may only be reallocated or decreased by an Act of Parliament.

SCHEDULE.

Estimates of Expenditure for the year ending 31 December 2025.

BUDGET AGENCY	2025 BUDGET (PGK)
201 National Parliament	386,700,000.00
Personnel Emoluments	236,780,000.00
Goods and Services	119,920,000.00
Capital Investment	30,000,000.00
Grand Total	386,700,000.00



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Appropriation (National Parliament 2025) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 27th day of November 2024

A handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke extending downwards.

DANEIL ROLPAGAREA
State Solicitor



3

2025 National Budget

2025 APPROPRIATION BILL

(JUDICIARY SERVICES 2025), BILL 2024

EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL PARLIAMENT

APPROPRIATION (JUDICIARY SERVICES 2025) BILL 2024

FOR THE YEAR ENDING 31 DECEMBER 2025

The purpose of the *Appropriation (Judiciary Services 2025) Bill 2024* is to provide the sum of K379,112,060.00 for the activities of the Judiciary for the year ending 31 December 2025, as required under Section 209 (2) (b) (iii) of the Constitution as amended.

No. of 2024

Appropriation (Judiciary Services 2025) Bill 2024



No. of 2024.

Appropriation (Judiciary Services 2025) Bill 2024.

ARRANGEMENT OF CLAUSES.

1. Grant of K379,112,060.00
2. Appropriation.
3. Adjustment of appropriations for identified matters.

SCHEDULE.



A BILL

for

AN ACT

entitled

Appropriation (Judiciary Services 2025) Bill 2024,

Being a Bill to appropriate out of the Consolidated Revenue Fund sums for the Judiciary Services Operational and Capital expenditure for the year ending 31 December 2025.

MADE by the National Parliament.

1. GRANT OF K379,112,060.00.

Subject to authorisation from the Minister, the Secretary for Treasury may issue out of the Consolidated Revenue Fund and apply for the operational and capital expenditure of the Judiciary for the year ending 31 December 2025 the sum of K379,112,060.00.

2. APPROPRIATION.

Sums granted by this Act out of the Consolidated Revenue Fund for the financial year ending 31 December 2025 are appropriated for the operational and capital expenditure of the Judiciary listed in the Schedule to this Act.

3. ADJUSTMENT OF APPROPRIATIONS FOR IDENTIFIED MATTERS.

(1) Appropriations for the Judiciary may only be increased by reallocations from "Contingency Fund" in Volume 2A which is appropriated to Division 207 - Crosscutting Activities.

(2) Appropriations for the Judiciary may only be reallocated or decreased by an Act of Parliament.

SCHEDULE.

Estimates of Expenditure for the year ending 31 December 2025.

BUDGET AGENCY	2025 BUDGET (PGK)
223 Judiciary Services	379,112,060.00
Personnel Emoluments	162,445,000.00
Goods and Services	206,667,060.00
Capital Investment	10,000,000.00
Grand Total	379,112,060.00



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Appropriation (Judiciary Services 2025) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 27th day of November 2024

A handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke extending downwards.

DANEIL ROLPAGAREA
State Solicitor



2025 Budget Presentation

2025 TAXATION AMENDMENT BILLS

EXCISE TARIFF (2025 BUDGET) AMENDMENT), BILL 2024

EXPLANATORY MEMORANDUM

Excise Tariff (2025 Budget)(Amendment) Bill 2024

The Bill proposes the following:

1. The Government will be freezing the 2.5 per cent Excise Indexation rate for a period of 12-months on Alcohol and Tier-1 Tobacco products. The freeze will start from 01st December, 2024 and ends on 30th November, 2025.
2. Currently, the Tier-2 quota is determined by applying 50.0 per cent on the total sales of main Tier-1 in the previous year. The methodology of determining the 50.0 per cent quota will now change and be based on the combined actual sale of main Tier-1 and Tier-2 of the previous year.
3. Introduce excise tax on e-cigarettes and the tobacco sticks design for use in e-cigarettes at the rates of K20.0 per millilitre and K400.0 per kilogram respectively. This is to enhance regulation on the consumption of the e-cigarette products in PNG.
4. Insert the World Customs Organisation (WCO) Harmonise Systems (HS) amendments to headings 8701 – 8704 in the Excise schedule. These include hybrid electric, plug-in hybrid, all-electric motor vehicles, partial and fully electrical heavy-duty vehicles and hybrid vehicles that emits less pollutants and environmentally friendly than the fuel consuming vehicles. A 10.0 per cent excise duty will apply on hybrid vehicles and zero rating for the fully electrical vehicles.

SECOND READING SPEECH

EXCISE TARIFF (2025 BUDGET) (AMENDMENT) BILL 2024

MR SPEAKER,

THE BILL PROPOSES AMENDMENTS TO:

1. FREEZE THE BI-ANNUAL EXCISE RATE INDEXATION FOR ALCOHOL AND TIER-1 TOBACCO PRODUCTS FOR A PERIOD OF 12-MONTHS. THE FREEZE WILL BE EFFECTIVE AS OF 01ST DECEMBER, 2024 AND ENDS ON 30TH NOVEMBER, 2025.
2. CHANGE THE CURRENT METHODOLOGY USED WHEN CALCULATING THE SECOND TIER TOBACCO QUOTA. THE METHODOLOGY WILL NOW BE BASED ON 50.0 PER CENT OF THE COMBINED ACTUAL SALES OF THE MAIN TIER-1 AND TIER-2 TOBACCO PRODUCT FROM THE PREVIOUS YEAR. THIS MEASURE WILL BE EFFECTIVE ON 01ST DECEMBER, 2024.
3. INTRODUCE EXCISE TAX ON E-CIGARETTES AND THE TOBACCO STICKS DESIGN FOR USE IN E-CIGARETTES AT THE RATES OF K20.0 PER MILLILITER AND K400.0 PER KILOGRAM RESPECTIVELY. THIS IS TO ENHANCE REGULATION ON THE CONSUMPTION OF THE E-CIGARETTE PRODUCTS IN PNG.
4. INSERT THE WORLD CUSTOMS ORGANISATION HARMONISE SYSTEMS AMENDMENTS TO HEADINGS 8701 – 8704 IN THE EXCISE SCHEDULE. THESE INCLUDE HYBRID ELECTRIC, PLUG-IN HYBRID, ALL-ELECTRIC MOTOR VEHICLES, PARTIAL AND FULLY ELECTRICAL HEAVY-DUTY VEHICLES AND HYBRID VEHICLES THAT EMITS LESS POLLUTANTS AND ENVIRONMENTALLY FRIENDLY THAN THE FUEL CONSUMING VEHICLES. A 10 PER CENT EXCISE DUTY WILL APPLY ON HYBRID VEHICLES AND ZERO RATING FOR THE FULLY ELECTRICAL VEHICLES.

MR SPEAKER, I COMMEND THE BILL.



CERTIFICATE.

I, certify that I have drafted the *Excise Tariff (2025 Budget) (Amendment) Bill 2024* (Draft of 26/11/2024) in accordance with the National Executive Council Decision No: 276/2024 dated 19th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink that reads "M Toliman".

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.



No. of 2024

Excise Tariff (2025 Budget)(Amendment) Bill 2024.

ARRANGEMENT OF CLAUSE.

Duties on Excise (Amendment of Schedule 1).



A BILL

for

AN ACT

entitled

Excise Tariff (2025 Budget)(Amendment) Bill 2024,

Being a Bill to amend the *Excise Tariff Act* (Chapter 107),

MADE by the National Parliament to come into operation on -

- (a) 1st December 2024 for Paragraphs (a), (b) and (c); and
 (b) 1st January 2025 for Paragraphs (d) and (e).

DUTIES ON EXCISE (AMENDMENT OF SCHEDULE 1).

Schedule 1 of the Principal Act is amended by -

- (a) repealing the tariff items, description of goods, the excise duty rates and the remarks relating to alcohol shown in the Schedule and replacing them with the following tariff items, description of goods, the excise duty rates and the remarks as shown below:

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
22.03	BEER MADE FROM MALT				
2203.00.10	Beer or mixed drinks containing beer, not more than 2.5% alcohol by volume.	K103.17	K103.17	K105.75	The 2.5 percent bi-annual excise indexation for alcohol is suspended for a period of 12 months starting 1 st December 2024 and ends at 30 th November 2025.
2203.00.20	Beer or mixed drinks containing beer, more than 2.5% and not more than 3.5% alcohol by volume.	K133.14	K133.14	K136.47	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2203.00.30	Beer or mixed drinks containing beer more than 3.5% and not more than 4.5% alcohol by volume.	K151.69	K151.69	K155.48	Thereafter, the 2.5 per cent bi-annual excise indexation will apply on 1 st December 2025 and onwards.
2203.00.40	Beer or mixed drinks containing beer more than 4.5% alcohol by volume.	K176.15	K176.15	K180.55	
2204.1	Sparkling wine.				
2204.10.10	Sparkling wine of fresh grapes sold in containers holding not more than 2 litres.	K203.89	K203.89	K208.99	
2204.10.20	Sparkling wine of fresh grapes sold in containers holding more than 2 litres.	K204.12	K204.12	K209.22	
2204.21.00	Wine of fresh grapes, including fortified wines in containers holding 2 litres.	K204.12	K204.12	K209.22	
2204.29.10	Wine of fresh grapes, including fortified wines, grapes must sold in containers holding 2 litres or less.	K204.12	K204.12	K209.22	
2204.29.90	Wine of fresh grapes, including fortified wines, grapes must sold in containers holding 2 litres or more.	K204.12	K204.12	K209.22	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
22.05	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substance.				
2205.10.00	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances, sold in containers holding 2 litres or less.	K204.12	K204.12	K209.22	
2206.90.00	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances, sold in containers holding 2 litres or less.	K204.12	K204.12	K209.22	
2206.00.10	Made substantially from edible products grown in Papua New Guinea with a volume content of alcohol content of up to 10%.	K86.96	K86.96	K89.13	
2206.00.90	Other fermented beverages.	K175.93	K175.93	K180.33	
2208.2	Spirit obtained by distilling grape wine or grape marc.				
2208.20.10	Undenatured ethyl alcohol strength spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50%.	K254.84	K254.84	K261.21	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2208.20.20	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50% and not more than 80%.	K273.41	K273.41	K280.25	
2208.20.90	Other, Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages.	K255.16	K255.16	K261.54	
2208.3	Whiskies.				
2208.30.10	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50%.	K254.84	K254.84	K261.21	
2208.30.20	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50% and not more than 80%.	K273.41	K273.41	K280.25	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2208.30.90	Other, Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages.	K255.16	K255.16	K261.54	
2208.4	Rum and other spirits obtained by distilling fermented sugarcane products.				
2208.40.10	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50%.	K254.84	K254.84	K261.21	
2208.40.20	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages.	K255.16	K255.16	K261.54	
2208.5	Gin and Geneva.				
2208.50.10	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50%.	K254.84	K254.84	K261.21	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2208.50.20	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50% and less than 80%.	K273.41	K273.41	K280.25	
2208.50.90	Other, Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages.	K255.16	K255.16	K261.54	
2208.6	Vodka.				
2208.60.10	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spritious beverages, containing alcohol by volume not more than 50%.	K254.84	K254.84	K261.21	
2208.60.20	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50% and less than 80%.	K273.41	K273.41	K280.25	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2208.60.90	Other, Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages.	K255.16	K255.16	K261.54	
2208.7	Liqueurs and Cordials.				
2208.70.10	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50%.	K254.84	K254.84	K261.21	
2208.70.20	Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages, containing alcohol by volume not more than 50% and less than 80%.	K273.41	K273.41	K280.25	
2208.70.90	Other, Undenaturedethyl alcohol strength, spirits, liqueurs and other Spirituous beverages.	K255.16	K255.16	K261.54	
2208.9	Other.				
2208.90.20	Mixed drinks of strength more than 3% alcohol by volume, not for medical purpose.	K715.73	K715.73	K733.62	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2208.90.30	Mixed drinks of strength more than 3% alcohol by volume and not more than 10% alcohol by volume, not for medical purpose.	K876.54	K876.54	K898.45	
2208.90.40	Mixed drinks of strength more than 10% alcohol by volume, not for medical purpose.	K893.43	K893.43	K915.77	

”; and

- (b) repealing the tariff items, description of goods, the excise duty rates and the remarks relating to tobacco shown in the Schedule and replacing them with the following tariff items, description of goods, the excise rates and remarks shown below:

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2402.10.00	Cigars, cheroots and cigarillos, containing tobacco.	K634.72	K634.72	K650.59	The 2.5 per cent bi-annual excise indexation for first tier tobacco is suspended for a period of 12 months starting 1 st December 2024 and ends at
2402.20.10	Cigarettes of tobacco or tobacco substitute with filter containing tobacco. Manufacturer's selling price (MSP) K16.00 and above per 25's pack or K640.00 per thousand sticks.	K634.72	K634.72	K650.59	

Excise Tariff (2025 Budget)(Amendment)

Tariff Item.	Description.	From 1st June 2024 to 30th November 2024.	From 1st December 2024 to 30th November 2025.	From 1st December 2025 and onwards.	Remarks.
2402.20.20	Cigarettes of tobacco or tobacco substitute without filter containing dark fired tobacco (spear or equivalent).	K317.40	K317.40	K325.34	30 th November, 2025. Thereafter, the 2.5 per cent bi-annual excise indexation for first tier tobacco will apply on 1 st December 2025 and onwards.
2403.19.10	Smoking tobacco, whether or not containing tobacco substitutes in any portion.	K211.63	K211.63	K216.92	
2403.19.20	Manufactured tobacco, for production of cigarettes.	K211.63	K211.63	K2216.92	
2403.19.30	Chewing tobacco.	K211.63	K211.63	K216.92	
2403.19.40	Snuff.	K211.63	K211.63	K216.92	
2403.19.50	Twist or trade tobacco.	K211.63	K211.63	K216.92	
2403.19.60	Stick tobacco.	K211.63	K211.63	K216.92	
2403.19.70	Coarse Shredded Tobacco for Roll Your Own Cigarettes.	K102.31	K102.31	K104.87	
2403.99.0	Other.	K211.63	K211.63	K216.92	

”; and

Excise Tariff (2025 Budget)(Amendment)

- (c) repealing the tariff items, description of goods, the excise duty rates and the remarks relating to second tobacco excise tier shown in the Schedule and replacing them with the following tariff items, description of goods, the excise duty rates and remarks as shown below:

“

Tariff Item.	Description.	Excise Tariff Rate from 1st June 2024 to 30th November 2024.	Excise Tariff Rate from 1st December 2024 to 30th November 2025.	Excise Tariff Rate from 1st December 2025 and onwards.	Remarks.
2402.20.40	Cigarettes of tobacco or tobacco substitute with filter containing tobacco that is locally manufactured in Papua New Guinea. These items must carry a Manufacturer's Selling Price (MSP) below K18.50 and above per 25's pack or K740.00 per thousand sticks.	K257.89	K 264.34	K270.95	The 2.5 per cent bi-annual excise indexation for second tier tobacco will continue to apply. For local manufactures to sell in this second tier, it must first sell at the main tier (2402.20.10). The quota is determine by getting 50% of the sum of main tier-1 (2402.20.10), and tier-2 (2402.20.40) of the previous year.

”; and

Excise Tariff (2025 Budget)(Amendment)

- (d) inserting the new tariff items, description of goods, the exercise duty rates and the remarks relating to tobacco and cigarettes shown in the schedule:

Tariff Item.	Description.	From 1st January 2025 and onwards.	Remarks.
24.04	PRODUCTS CONTAINING TOBACCO, RECONSTITUTED TOBACCO, NICOTINE OR TOBACCO OR NICOTINE SUBSTITUTE, INTENDED FOR INHALATION WITHOUT COMBUSTION; OTHER NICOTINE CONTAINING PRODUCTS INTENDED FOR THE INTAKE OF NICOTINE INTO THE HUMAN BODY.		New excise regime to regulate the e-cigarettes. As per World Customs Organisation Harmonised System amendments.
2404.1	Products intended for inhalation without combustion:		
2404.11	Containing tobacco or reconstituted tobacco.		
2404.11.10	Tobacco sticks specifically designed for use in e-cigarettes.	K400.00 per kg	
2404.11.90	Other.	K400.00 per kg	
2404.12	Other, containing nicotine.		
2404.12.10	E-liquid.	K20.00 per ml	
2404.12.90	Other.	K20.00 per ml	
2404.19	Other.		
2404.19.10	E-liquid, non-nicotine.	K20.00 per ml	
2404.19.90	Other	K20.00 per ml	
2404.9	Other:		
2404.91	For oral application.		
2404.91.10	Nicotine pouches without tobacco.	K20.00 per ml	
2404.91.20	Non-nicotine pouches with tobacco (Snus and the like).	K20.00 per ml	
2404.91.30	Nicotine lozenges and the like, without tobacco.	K20.00 per ml	
2404.91.40	Nicotine lozenges and the like, without tobacco.	K20.00 per ml	
2404.91.90	Other.	K20.00 per ml	
2404.92.00	For transdermal application.	K20.00 per ml	
2404.99.00	Other.	K20.00 per ml	

”; and

Excise Tariff (2025 Budget)(Amendment)

- (e) repealing the tariff items, description of goods, the excise duty rates and the remarks relating to electric or hybridelectric motor vehicles with the following tariff items, description of goods, the excise duty rates and the remarks shown below:

Tariff Item.	Description.	From 1st January 2025 and onwards.	Remarks
8701.2	Road Tractors for Semi-trailers		Adopting the World Customs Organisation Harmonised System.
8701.21.00	With only compression-ignition internal combustion piston engine (diesel or semi-diesel)	10%	
8701.22.00	With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion.	10%	
8701.23.00	With both spark-ignition internal combustion piston engine and electric motor as motors for propulsion.	10%	
8701.24.00	With only electric motor for propulsion.	10%	
8701.29.00	Other.	10%	
8702.30.00	With both spark-ignition internal combustion piston engine and electric motor as motors for propulsion.	10%	Deletion of the word "reciprocating"
8703.2	Other vehicles, with only spark-ignition internal combustion piston engine.	-	Deleting of the word "reciprocating"
8703.40.00	Other vehicles, with only spark-ignition internal combustion piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power.	20%	Deleting of the word "reciprocating"
8703.60.00	Other vehicles, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power.	20%	Deleting of the word "reciprocating"

Excise Tariff (2025 Budget)(Amendment)

8704.2	Other, with only compression-ignition internal combustion piston engine (diesel or semi-diesel).	-	Addition of word "only"
8704.21	G.V.W not exceeding 5 tonne.	-	New creation
8704.22	G.V.W exceeding 5 tonnes but not exceeding 20 tonnes.	-	New creation
8704.23	G.V.W exceeding 20 tonnes.	-	New creation
8704.3	Other, with only spark-ignition internal combustion piston engine.	-	Addition of word "only"
8704.31	G.V.W not exceeding 5 tonnes.	-	New creation
8704.32	G.V.W exceeding 5 tonnes.	-	New creation
8704.4	Other, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion.	-	New creation
8704.41.00	G.V.W not exceeding 5 tonnes.	10%	New creation
8704.42.00	G.V.W exceeding 5 tonnes but not exceeding 20 tonnes.	10%	New creation
8704.43.00	G.V.W exceeding 20 tonnes	10%	New creation
8704.5	Other, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion.	-	New creation
8704.51.00	G.V.W not exceeding 5 tonnes.	10%	New creation
8704.52.00	G.V.W exceeding 5 tonnes.	10%	New creation
8704.60.00	Other with only electric motor for propulsion.	Free	New creation



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **Daniel Rolpagarea**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Excise Tariff (2025 Budget) (Amendment) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 19th day of November 2024.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke extending downwards.

.....
Daniel Rolpagarea
State Solicitor



5

2025 National Budget

2025 TAXATION AMENDMENT BILLS

GOODS AND SERVICES TAX (2025 BUDGET) (AMENDMENT), BILL 2024

EXPLANATORY MEMORANDUM

Goods and Services Tax (2025 Budget)(Amendment) Bill 2024,

The Bill proposes the following: -

1. Introduce the authority to operate a Goods and Services Tax Monitoring System ('GMS') to improve transactional data collection. It will also help ease the compliance burden on taxpayers and provide better insight into data submitted to the Government. Regulations will be consequently introduced prescribing the technical guidance relating to the system.
2. As a relief measures to address inflation, the Bill allows for the zero-rating of goods and services. The Government intends to use this to zero rate certain basic food household items from 01st July, 2025 to 30th June, 2026.
3. Increase the threshold under which the commissioner general may extend the taxable period of a taxpayer, consequentially reducing their filing frequency. This will help ease both the compliance and administrative burden on taxpayers and the internal revenue commission. The threshold is being increased from K625,000 to K1,500,000.
4. Increase the penalty for non-compliance with a Section 65A Notice. The recent roll out of the Section 65A Notice to collect Goods and Services Tax (GST) at source has been a successful initiative for the Government. However, there have been a number of recipients of the Notice who have blatantly failed to comply with the Notice. As a compliance measure, this amendment increases the existing penalty fee for non-compliance from K5, 000.0 to K50, 000.0.
5. Reduce the timeframe for claiming a GST refund. The current law provides for a period of 8 years through a phased approach over 4 years beginning in 2026. This has allowed for all kinds of fraudulent refund claims dating back several years. Where a taxpayer believes they have a refund, they should be able to substantiate it and claim it within a reasonable period. The current 8 year period is unreasonably long and provides an opportunity for fake invoices to be produced. The timeframe is reduced down to 4 years.

SECOND READING SPEECH

GOODS AND SERVICES TAX (2025 BUDGET) (AMENDMENT) BILL 2024,

MR SPEAKER,

THE BILL PROPOSES AMENDMENTS TO: -

1. INTRODUCE THE AUTHORITY TO OPERATE A GOODS AND SERVICES TAX MONITORING SYSTEM ('GMS') THAT WILL IMPROVE TRANSACTIONAL DATA COLLECTION TO IMPROVE TAX COMPLIANCE AND ENFORCEMENT. IT WILL ALSO HELP EASE THE COMPLIANCE BURDEN ON TAXPAYERS AND PROVIDE BETTER INSIGHT INTO DATA SUBMITTED TO THE GOVERNMENT. REGULATIONS WILL BE CONSEQUENTLY INTRODUCED PRESCRIBING THE TECHNICAL GUIDANCE RELATING TO THE SYSTEM.
2. TO AUTHORISE THE ISSUANCE OF A GAZETTAL NOTICE TO TEMPORARILY ZERO-RATE GST ON BASIC FOOD AND HOUSEHOLD ITEMS. THIS IS A MEASURE TO ENABLE THE GOVERNMENT TO ADDRESS THE COST-OF-LIVING PRESSURES.
3. INCREASE THE THRESHOLD UNDER WHICH THE COMMISSIONER GENERAL MAY EXTEND THE TAXABLE PERIOD OF A TAXPAYER, CONSEQUENTIALLY REDUCING THEIR FILING FREQUENCY. THIS WILL HELP EASE BOTH THE COMPLIANCE AND ADMINISTRATIVE BURDEN ON TAXPAYERS AND THE INTERNAL REVENUE COMMISSION. THE THRESHOLD IS BEING INCREASED FROM K625,000 TO K1,500,000.
4. INCREASE THE PENALTY FOR NON-COMPLIANCE WITH A SECTION 65A NOTICE. THE RECENT ROLL OUT OF THE SECTION 65A NOTICE TO COLLECT GOODS AND SERVICES TAX (GST) AT SOURCE HAS BEEN A SUCCESSFUL INITIATIVE FOR THE GOVERNMENT. HOWEVER, THERE HAVE BEEN A NUMBER OF RECIPIENTS OF THE NOTICE WHO HAVE BLATANTLY FAILED TO COMPLY WITH THE NOTICE. AS A COMPLIANCE MEASURE, THIS AMENDMENT INCREASES THE EXISTING PENALTY FEE FOR NON-COMPLIANCE FROM K5, 000.0 TO K50, 000.0.
5. REDUCE THE TIMEFRAME FOR CLAIMING A GST REFUND. THE CURRENT LAW PROVIDES FOR A PERIOD OF 8 YEARS THROUGH A PHASED APPROACH OVER 4 YEARS BEGINNING IN 2026 AND ALLOW TAXPAYERS WHO NOTIFY THE IRC OF THEIR CLAIMS IN THE SPECIFIED PERIOD TO BE ABLE TO CLAIM REFUNDS. THE CURRENT 8 YEAR PERIOD HAS POTENTIALLY ALLOWED FOR FRAUDULENT REFUND CLAIMS DATING. WHERE A TAXPAYER BELIEVES THEY HAVE A REFUND, THEY SHOULD BE ABLE TO SUBSTANTIATE IT AND CLAIM IT WITHIN A REASONABLE PERIOD. THE CURRENT 8 YEAR PERIOD IS UNREASONABLY LONG AND PROVIDES AN OPPORTUNITY FOR FAKE

INVOICES TO BE PRODUCED. THE TIMEFRAME IS REDUCED DOWN TO
4 YEARS OVER A PHASED APPROACH OF 4 YEARS BEGINNING IN 2026.

MR. SPEAKER, I COMMEND THE BILL.



CERTIFICATE.

I, certify that I have drafted the *Goods and Services Tax (2025 Budget) (Amendment) Bill 2024* (Draft of 26/11/2024) in accordance with the National Executive Council Decision No: 295/2024 dated 25th November, 2024, and National Executive Council Decision No: 297/2024 dated 26th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink, appearing to read 'M Toliman'.

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.



No. of 2024

Goods and Services (2025 Budget)(Amendment) Bill 2024.

ARRANGEMENT OF CLAUSES.

1. New Section 5A.

“5A. ELECTRONIC MONITORING SYSTEM.”.

2. Exempt supplies.
3. Taxable periods (Amendment of Section 26).
4. Taxable period returns (Amendment of Section 63).
5. Payment of tax in special cases (Amendment of Section 65A).
6. Refund of excess tax (Amendment of Section 91).



A BILL

for

AN ACT

entitled

Goods and Services (2025 Budget)(Amendment) Bill 2024,

Being a Bill to amend the *Goods and Services Act 2003*,

MADE by the National Parliament to come into operation on 1 January 2025.

1. NEW SECTION 5A.

The Principal Act is amended by inserting immediately after Section 5, the following new section:

“5A. ELECTRONIC MONITORING SYSTEM.

(1) The Commissioner General may implement and operate an electronic monitoring system that allows for the automated documenting, collecting and reporting of transactional data such as invoices, receipts and other data relating to the imposition of goods and services tax under this Act.

(2) The Commissioner General may, in writing, issue a notice to require a company to operate an electronic monitoring system in accordance with Subsection (1) and the regulations.

(3) Regulations may be made pursuant to Section 118, to prescribe the matters, processes and procedures that are required to give effect to this section.

2. EXEMPT SUPPLIES.

Section 25 of the Principal Act is amended by inserting immediately after Subsection (7), the following new subsection:

“(8) The following supplies are zero rated goods under this Act, which shall be zero-rated for a period commencing on 1st June 2025 to 30th June 2026 -

- (a) baby diaper; and
- (b) soap; and
- (c) biscuit; and
- (d) cooking oil; and
- (e) flour; and
- (f) chicken; and
- (g) noodle; and
- (h) rice; and
- (i) sanitary pad and tampon; and
- (j) tea; and

Goods and Services (2025 Budget)(Amendment)

- (k) coffee; and
- (l) tinned fish; and
- (m) tinned meat.”.

3. TAXABLE PERIODS (AMENDMENT OF SECTION 26).

Section 26 of the Principal Act is amended by repealing Subsection (3) and replacing it with the following new subsection:

“(3) Notwithstanding anything in this section, where the total value of a registered person’s turnover has, in the period of 12 months ending with the last day of any taxable period, not exceeded K1,500,000.00, the Commissioner General may, subject to such conditions as he sees fit, substitute a longer taxable period for that registered person, not exceeding three months, which shall end on the last day of that extended period.”.

4. TAXABLE PERIOD RETURNS (AMENDMENT OF SECTION 63).

Section 63 of the Principal Act, is amended by repealing Subsection (2) and replacing it with the following subsection:

- “(2) Where the Commissioner is satisfied -
- (a) in order to meet the circumstances of a non-profit body or a particular case; or
 - (b) generally, in relation to a class of registered persons or such registered persons with an extended taxable period approved under Section 26(3),

that it is necessary to vary the date on which a return shall be furnished, the Commissioner may, subject to such conditions as he sees fit, require such registered persons to furnish returns accordingly.”.

5. PAYMENT OF TAX IN SPECIAL CASES (AMENDMENT OF SECTION 65A).

Section 65A of the Principal Act is amended in Subsection (10) by repealing the penalty amounts “K500.00” and “K5,000.00” and replacing them with “K5,000.00” and “K50,000.00”, respectively.

6. REFUND OF EXCESS TAX (AMENDMENT OF SECTION 91).

Section 91 of the Principal Act is amended -

- (a) by repealing Subsection (2) and replacing it with the following new subsection:

(2) Subject to Subsection (3), no refund shall be made after the expiration of the period specified below immediately following the end of the tax year, unless written application for the refund is made by or on behalf of the registered person before the expiration of the tax year ending on or before:

- (a) December 31 2025, the period shall be eight years; and
- (b) December 31 2026, the period shall be seven years; and
- (c) December 31 2027, the period shall be six years; and
- (d) December 31 2028, the period shall be five years; and
- (e) December 31 2029, and for years following 2029, the period shall be four years.”; and

Goods and Services (2025 Budget)(Amendment)

(b) by repealing Subsection (4) and replacing it with the following new subsection:

“(4) In the case of which Subsection (3) refers, no refund shall be made after the expiration of the period specified following the end of the tax year in the following, unless written application for the refund is made by or on behalf of the registered person before the expiration of the tax year ending on or before:

- (a) December 31 2025, the period shall be eight years; and
- (b) December 31 2026, the period shall be seven years; and
- (c) December 31 2027, the period shall be six years; and
- (d) December 31 2028, the period shall be five years; and
- (e) December 31 2029, and for years following 2029, the period shall be four years.”.



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **Daniel Rolpagarea**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Goods and Services Tax (2025 Budget) (Amendment) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 20th day of November 2024.

for 

Daniel Rolpagarea

State Solicitor



6

2025 National Budget

2025 TAXATION AMENDMENT BILLS

INCOME TAX (2025 BUDGET) (AMENDMENT), BILL 2024

EXPLANATORY MEMORANDUM

Income Tax (2025 Budget) (Amendment) Bill 2024,

The Bill proposes to:

1. Increase the First Home Owner Exemption Thresholds

The objective is to increase and align the Citizen Employee First Time Home Buyer Scheme threshold with the stamp duty-free threshold for first-time homebuyers from K400,000.0 and K500,000.0 respectively, to K700,000.0. This is to adjust and align with current property market prices in PNG. This supports home ownership and reduces the financial burden on first-time buyers.

The rationale behind these amendments is rooted in the need for an up-to-date policy framework that accurately represents the current real estate market conditions. The last adjustments made in 2011 were appropriate at the time, but property values and construction costs have continued to rise significantly since then.

By raising the thresholds for both the Citizen Employee First Time Home Buyer Scheme and the stamp duty concession to K700,000.0, we can ensure that these policies remain relevant and effective in providing support to citizens looking to enter the housing market.

2. To adopt Country by Country Reporting Standards

Consistent with the BEPS Action 13 (Country-by-Country Reporting) Recommendations to Papua New Guinea, the following measures are captured in the Bill: -

- (i) Papua New Guinea's domestic legislation sets a threshold for the definition of exempt Multinational Enterprises by applying a revenue figure as at a fixed date of 1 January 2016. This is inconsistent with the standard where the revenue figure is intended to apply annually going forward and not fixed to a set date. The fixed date of 01st January, 2016 will be removed to achieve this intent.
- (ii) This measure introduces a penalty provision to enforce the effective implementation of CbC reporting requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in PNG. This enforcement measure was absent when the CbC provisions were introduced in 2016.

3. Exemption Of Income Of Representatives Of Clubs, Etc.

To establish a National Rugby League team in PNG, one part of the deal is to exempt all players (local and international) and international staff from income tax, so long as they are tax residence in PNG and do not hold tax residency in another jurisdiction. On this basis, the Government agreed to provide the exemptions. This is to ensure the PNG team can attract Players to play for the new team. As the NRL has cost caps, this means that it would be extraordinarily difficult to recruit players to play in PNG rather than other countries, which have higher tax thresholds for similar tax rates leading to players in other countries paying less tax than they would in PNG. This exemption will expire after 10 years ending in year 2036.

SECOND READING SPEECH

INCOME TAX (2025 BUDGET) (AMENDMENT) BILL 2024

MR SPEAKER,

THE BILL PROPOSES AMENDMENTS TO:

1. INCREASE THE FIRST HOME OWNER EXEMPTION THRESHOLDS FROM K400,000.0 TO K700,000.0 TO ALIGN WITH THE CURRENT PROPERTY MARKET PRICES IN PNG.
2. CAPTURE RECOMMENDATIONS CONSISTENT WITH THE BASE EROSION AND PROFIT SHIFTING (BEPS) ACTION-13 PLAN ON COUNTRY-BY-COUNTRY REPORTING STANDARDS AND INCLUSION FOR PENALTY FOR NON-COMPLIANCE.
3. ALLOW INCOME TAX EXEMPTION FOR ALL NRL PLAYERS AND INTERNATIONAL STAFF, SUN SETTED AFTER 10 YEARS TO MEET THE AGREEMENT WITH THE NRL SO THAT PNG GETS AN NRL TEAM. THIS EXEMPTION WILL EXPIRE UNLESS EXTENDED IN 2036.

MR SPEAKER, I COMMEND THE BILL.



CERTIFICATE.

I, certify that I have drafted the *Income Tax (2025 Budget) (Amendment) Bill 2024* (Draft of 26/11/2024) in accordance with the National Executive Council Decision No: 276/2024 dated 19th November, 2024 and National Executive Council Decision No: 297/2024 dated 26th November, 2024, and the Drafting Instructions.

MToliman

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.



No. of 2024.

Income Tax (2025 Budget)(Amendment) Bill 2024.

ARRANGEMENT OF CLAUSES.

1. Exemption of income of representatives of clubs, etc., (Amendment of Section 21).
2. Exemption of pension, etc., (Amendment of Section 29).
3. Capital amount of allowance, etc., deemed salary or wages (Amendment of Section 46B).
4. New Section (201C).

**“201C. FAILURE TO FURNISH COUNTRY-BY-COUNTRY
REPORT.”.**



A BILL

for

AN ACT

entitled

Income Tax (2025 Budget)(Amendment) Bill 2024,

Being a Bill to amend the *Income Tax Act 1959*, and for related purposes,

MADE by the National Parliament to come into operation on 1 January 2025.

**1. EXEMPTION OF INCOME OF REPRESENTATIVES OF CLUBS, ETC.,
(AMENDMENT OF SECTION 21).**

Section 21 of the Principal Act is amended -

(a) in Paragraph (e) by deleting the comma and replacing it with the following:

“; and”; and

(b) by inserting a new paragraph immediately after Paragraph (e) in the following -

“(f) in the capacity as a representative of the Papua New Guinea National Rugby League and the National Rugby League franchise clubs, by any player, and any non-citizen person as staff or official, but only to the extent that the income derived by that individual is not taxable jurisdiction, with effect on and from 1 January 2025 up to and including 1 January 2036.”.

2. EXEMPTION OF PENSION, ETC., (AMENDMENT OF SECTION 29).

Section 29 of the Principal Act is amended in Subsection (1), Paragraph (r), by repealing the amount “K400,000.00” and replacing it with the following:

“K700,000.00.”.

**3. CAPITAL AMOUNT OF ALLOWANCE, ETC., DEEMED SALARY OR WAGES
(AMENDMENT OF SECTION 46B).**

Section 46B of the Principal Act is amended in Subsection (2A) by deleting the words, “Section 1(2)” and replacing them with the following:

“Section 1(2A)”.

Income Tax (2025 Budget)(Amendment)

4. **NEW SECTION (201C).**

The Principal Act is amended by inserting immediately after Section 201B, the following new section:

“201C. FAILURE TO FURNISH COUNTRY-BY-COUNTRY REPORT.

(1) An ultimate parent entity or a constituent entity who fails to furnish a country-by-country report as required under Section 199 and in accordance with Section 201, is guilty of an offence.

Penalty: A fine not exceeding K2,000,000.00.

(2) An offence under Subsection (1) is a strict liability offence.

(3) Where an organisation has been convicted of an offence under Subsection (1), the court may make a further order that the organisation shall comply with the relevant provision of the rules under which the offence has been committed within 30 days, or such other period as the Court deems fit, from the date the order is made.”.



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **Daniel Rolpagarea**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Income Tax (2025 Budget) (Amendment) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 19th day of November 2024.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke extending downwards.

Daniel Rolpagarea
State Solicitor



2025 Budget Presentation

2025 TAXATION AMENDMENT BILLS

INCOME TAX, (SALARY AND WAGES TAX) (RATES) 2025 BUDGET) (AMENDMENT), BILL 2024

EXPLANATORY MEMORANDUM

Income Tax (Salary or Wages Tax) (Rates)(2025 Budget) (Amendment) Bill 2024

The Bill proposes:

1. A correction to formally remove the 22.0 per cent tax bracket from the non-resident tax tables to complement earlier government policy decisions and intent.
2. To exempt superannuation withdrawal by retirees from salary and wages on those employees whom have worked for 15 years or more.
3. Permit the internal revenue commission to issue the relevant fortnightly tax tables that factor in the dependent rebate calculations to be issued administratively.

SECOND READING SPEECH

***INCOME TAX (SALARY OR WAGES TAX) (RATES) (2025 BUDGET) (AMENDMENT)
BILL 2024***

MR SPEAKER,

THE BILL PROPOSES:

1. A CORRECTION TO FORMALLY REMOVE THE 22.0 PER CENT TAX BRACKET FROM THE NON-RESIDENT TAX TABLES TO COMPLEMENT EARLIER GOVERNMENT POLICY DECISIONS AND INTENT.
2. TO EXEMPT SUPERANNUATION WITHDRAWAL BY RETIREES FROM SALARY AND WAGES ON THOSE EMPLOYEES WHOM HAVE WORKED FOR 15 YEARS OR MORE.
3. PERMIT THE INTERNAL REVENUE COMMISSION TO ISSUE THE RELEVANT FORTNIGHTLY TAX TABLES THAT FACTOR IN THE DEPEDENT REBATE CALCULATIONS TO BE ISSUED ADMINISTRATIVELY.

MR SPEAKER, I COMMEND THE BILL.



CERTIFICATE.

I, certify that I have drafted the *Income Tax (Salary and Wages Tax) (Rates) (2025 Budget) (Amendment) Bill 2024* (Draft of 26/11/2024) in accordance with National Executive Council Decision No: 276/2024 dated 19th November, 2024 and National Executive Council Decision No: 297/2024 dated 26th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink that reads "MT Toliman".

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.

Draft of 26/11/2024



No. of 2024

Income Tax (Salary or Wages Tax) (Rates) (2025 Budget)(Amendment) Bill 2024.

ARRANGEMENT OF CLAUSES.

1. Imposition of tax (Amendment of Section 1).
2. Amendment of Schedule 1.



A BILL

for

AN ACT

entitled

Income Tax (Salary or Wages Tax) (Rates) (2025 Budget)(Amendment) Bill 2024,

Being a Bill to amend the *Income Tax (Salary or Wages Tax) (Rates) Act 1979*.

MADE by the National Parliament to come into operation on 1 January 2025.

1. IMPOSITION OF TAX (AMENDMENT OF SECTION 1).

Section 1 of the Principal Act is amended -

(a) in Subsection (2) Paragraph (a) by repealing "and (2A)(a)"; and

(b) by inserting immediately after Subsection (2), the following new subsection:

"(2A) The part of a person's income that consists of a payment of an amount specified in Section 46B (2A)(a) of the *Income Tax Act 1959*, shall be exempt from salary or wages tax."; and

(c) by inserting immediately after Subsection (4), the following new subsection:

"(5) Notwithstanding any other provision, the fortnightly tax tables for employees under Schedule 1, shall be issued administratively by the Commissioner General consistent with *Income Tax Act 1959* ."

2. AMENDMENT OF SCHEDULE 1.

Schedule 1 of the Principal Act is amended -

(a) in Table 2 by repealing the words, "and onwards" and replacing them with, "31 December 2024"; and

(b) by inserting immediately after Table 2, the following:

Income Tax (Salary or Wages Tax) (Rates) (2025 Budget)(Amendment)

“TABLE 2A. - Non-residential Salary or Wages Tax Rates for the period 1 January 2025 and onwards.

COLUMN 1 PARTS OF TAXABLE INCOME	COLUMN 2 PERCENTAGE
The part of the taxable income that - does not exceed K33,000.00.	30
exceeds K33,000.00 but does not exceed K70,000.00.	35
exceeds K70,000.00 but does not exceed K250,000.00.	40
exceeds K250,000.00.	42



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

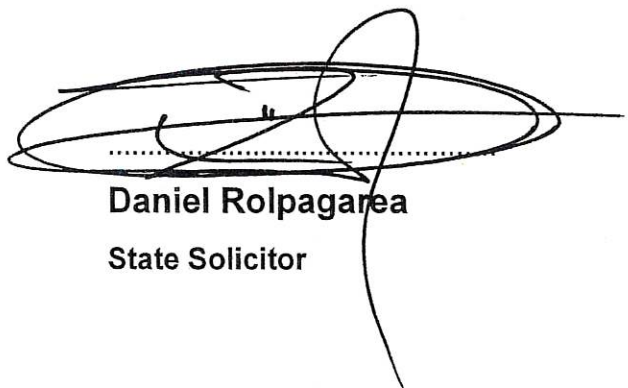
CERTIFICATE OF NECESSITY

I, **Daniel Rolpagarea**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Income Tax (Salary or Wages Tax) (Rates)(2025 Budget) (Amendment) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 19th day of November 2024.



Daniel Rolpagarea
State Solicitor



2025 National Budget

2025 TAXATION AMENDMENT BILLS

INCOME TAX. DIVIDEND (WITHHOLDING) TAX AND INTEREST (WITHHOLDING) TAX RATES (2025 BUDGET) (AMENDMENT), BILL 2024

EXPLANATORY MEMORANDUM

Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2025 Budget) (Amendment) Bill 2024,

The Bill proposes:

1. a correction to formally remove the 22.0 per cent tax bracket from the non-resident tax tables. It does not introduce or impose any new tax policy change.
2. an amendment to the relevant non-resident tax tables for the relevant periods to remove the 22 per cent tax bracket, thereby ensuring consistency and equitability with the Government's policy intent.
3. to reduce the company tax rate on all commercial banks on all profits below k300 million from 45 per cent to 40 per cent effective 1 January 2025, with a further reduction to 35 per cent effective 1 January 2026 and thereon. In addition, the company tax rate on all commercial banks on all profits above k300 million is reduced from 45 per cent to 44 per cent effective 1 January 2025 thereafter the company tax rate reduces by one percent every year until company tax rate reaches 35 percent.

The Bill will be effective 01st January 2025.

SECOND READING SPEECH

***INCOME TAX, DIVIDEND (WITHHOLDING) TAX AND INTEREST
(WITHHOLDING) TAX RATES (2025 BUDGET) (AMENDMENT) BILL 2024,***

MR SPEAKER,

THE BILL PROPOSES A CORRECTION TO FORMALLY REMOVE THE 22.0 PER CENT TAX BRACKET FROM THE NON-RESIDENT TAX TABLES. IT DOES NOT INTRODUCE OR IMPOSE ANY NEW TAX POLICY CHANGE.

MR SPEAKER, I COMMEND THE BILL.



CERTIFICATE.

I, certify that I have drafted the *Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax (Rates) (2025 Budget) (Amendment) Bill 2024* (Draft of 26/11/2024) in accordance with the National Executive Council Decision No: 297/2024 dated 26th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink, appearing to read 'M Toliman'.

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.



No. of 2024.

***Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates
(Amendment) Bill 2024.***

ARRANGEMENT OF CLAUSES.

1. General rates of income tax on taxable income payable by non-resident persons other than companies (Amendment of schedule 1A).
2. Rates of income tax payable by a company other than a company in the capacity of a trustee (Amendment of Schedule 4).



A BILL

for

AN ACT

entitled

***Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates
(Amendment) Bill 2024,***

Being a Bill to amend the *Income Tax, Dividend (Withholding) Tax and Interest
(Withholding) Tax Rates Act* (Chapter 111),

MADE by the National Parliament to come into operation on 1 January 2025.

**1. GENERAL RATES OF INCOME TAX ON TAXABLE INCOME PAYABLE BY
NON-RESIDENT PERSONS OTHER THAN COMPANIES (AMENDMENT OF
SCHEDULE 1A).**

Schedule 1A of the Principal Act is amended -

- (a) in Table 4 by repealing the words "and onwards" and replacing them with the following:

"31 December 2024"; and

- (b) by inserting after Table 4, the following:

"TABLE 5. - Rates of Tax for the period 1 January 2025 and onwards.

COLUMN 1 PARTS OF TAXABLE INCOME	COLUMN 2 PERCENTAGE
The part of the taxable income that - does not exceed K33, 000.00.	30
exceeds K33,000.00 but does not exceed K70,000.00.	35
exceeds K70,000.00 but does not exceed K250,000.00.	40
exceeds K250,000.00.	42

**2. RATES OF INCOME TAX PAYABLE BY A COMPANY OTHER THAN A
COMPANY IN THE CAPACITY OF A TRUSTEE (AMENDMENT OF
SCHEDULE 4).**

Schedule 4 of the Principal Act is amended by repealing Subschedule 4.11 and replacing it with the following new subschedule:

**Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates
(Amendment)**

“SCHEDULE 4.11. COMMERCIAL BANKS.

In the case of a company that is a financial institution licensed to operate as a commercial bank under the *Banks and Financial Institutions Act 2000*, the rate of income tax is as shown below -

(a)

Rate of Income Tax	
Rate	Year
40% of the taxable income under K300 million	In fiscal year 2025
35% of the taxable income under K300 million	In fiscal year 2026 and future fiscal years

; and

(b)

Rate of Income Tax	
Rate	Year
44% on the taxable income over K300 million	In fiscal year 2025
43% on the taxable income over K300 million	In fiscal year 2026
42% on the taxable income over K300 million	In fiscal year 2027
41% on the taxable income over K300 million	In fiscal year 2028
40% on the taxable income over K300 million	In fiscal year 2029
39% on the taxable income over K300 million	In fiscal year 2030
38% on the taxable income over K300 million	In fiscal year 2031
37% on the taxable income over K300 million	In fiscal year 2032
36% on the taxable income over K300 million	In fiscal year 2033
35% on the taxable income over K300 million	In fiscal year 2034 and future fiscal years

”



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **Daniel Rolpagarea**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2025 Budget) (Amendment) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 19th day of November 2024.

A handwritten signature in black ink, consisting of several overlapping loops and a long tail extending downwards and to the right.

Daniel Rolpagarea
State Solicitor



9

2025 National Budget

2025 TAXATION AMENDMENT BILLS

STAMP DUTIES (2025 BUDGET) (AMENDMENT), BILL 2024

EXPLANATORY MEMORANDUM

Stamp Duties (2025 Budget)(Amendment) Bill 2024

The Bill proposes to:

Increase the First Home Owner Exemption Thresholds

The objective is to increase and align the Stamp Duty-Free Threshold for First-Time Home Buyers with the Citizen Employee First Time Home Buyer Scheme from K500,000.0 to K700,000.0. This is to adjust and align with current property market prices in PNG. This supports home ownership and reduces the financial burden on first-time buyers.

The rationale behind these proposed amendments is rooted in the need for an up-to-date policy framework that accurately represents the current real estate market conditions. The last adjustments made in 2011 were appropriate at the time, but property values and construction costs have continued to rise significantly since then.

By raising the thresholds for both the Citizen Employee First Time Home Buyer Scheme and the stamp duty concession to K700,000.0, to ensure that these policies remain relevant and effective in providing support to citizens looking to enter the housing market.

SECOND READING SPEECH

STAMP DUTIES (2025 BUDGET) (AMENDMENT) BILL 2024,

MR SPEAKER,

THE BILL PROPOSES AMENDMENTS TO:

THE OBJECTIVE IS TO INCREASE AND ALIGN THE STAMP DUTY-FREE THRESHOLD FOR FIRST-TIME HOME BUYERS WITH THE CITIZEN EMPLOYEE FIRST TIME HOME BUYER SCHEME FROM K500,000.0 TO K700,000.0. THIS IS TO ADJUST AND ALIGN WITH CURRENT PROPERTY MARKET PRICES IN PNG. THIS SUPPORTS HOME OWNERSHIP AND REDUCES THE FINANCIAL BURDEN ON FIRST-TIME BUYERS.

THE RATIONALE BEHIND THESE PROPOSED AMENDMENTS IS ROOTED IN THE NEED FOR AN UP-TO-DATE POLICY FRAMEWORK THAT ACCURATELY REPRESENTS THE CURRENT REAL ESTATE MARKET CONDITIONS. THE LAST ADJUSTMENTS MADE IN 2011 WERE APPROPRIATE AT THE TIME, BUT PROPERTY VALUES AND CONSTRUCTION COSTS HAVE CONTINUED TO RISE SIGNIFICANTLY SINCE THEN.

BY RAISING THE THRESHOLDS FOR BOTH THE CITIZEN EMPLOYEE FIRST TIME HOME BUYER SCHEME AND THE STAMP DUTY CONCESSION TO K700,000.0. WE ENSURE THAT THESE POLICIES REMAIN RELEVANT AND EFFECTIVE IN PROVIDING SUPPORT TO CITIZENS LOOKING TO ENTER THE HOUSING MARKET.

MR SPEAKER, I COMMEND THE BILL.



CERTIFICATE.

I, certify that I have drafted the *Stamp Duties (2025 Budget) (Amendment) Bill 2024* (Draft of 26/11/2024) in accordance with the National Executive Council Decision No: 297/2024 dated 26th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink, appearing to read "M Toliman".

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.



No. of 2024

Stamp Duties (2025 Budget)(Amendment) Bill 2024,

ARRANGEMENT OF CLAUSE.

Rates of Duty (Amendment of Schedule 1).



A BILL

for

AN ACT

entitled

Stamp Duties (2025 Budget)(Amendment) Bill 2024,

Being a Bill to amend the *Stamp Duties Act* (Chapter 117),

MADE by the National Parliament to come into operation on 1 January 2025.

RATES OF DUTY (AMENDMENT OF SCHEDULE 1).

Schedule 1 of the Principal Act is amended in Item 5, Paragraph (a) by repealing Subparagraph (i), and replacing them with the following new subparagraph:

- “(i) neither he nor (if he is married) his spouse has previously owned a residential property in Papua New Guinea or elsewhere and he is purchasing the property for use solely as his or their (if he is married) principal residence -

Where the value -

Does not exceed K700,000.00

Nil.

Exceeds K700,000.00

5% of the value in excess of K700,000.00.



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **Daniel Rolpagarea**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Stamp Duties (2025 Budget) (Amendment) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 19th day of November 2024.

A handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke extending downwards.

Daniel Rolpagarea
State Solicitor



10

2025 National Budget

2025 TAXATION AMENDMENT BILLS

INCOME TAX (2025 BUDGET) (AMENDMENT), REGULATION 2024



CERTIFICATE.

I, certify that I have drafted the *Income Tax (2025 Budget) (Amendment) Regulation 2024* (Draft of 26/11/2024) in accordance with the National Executive Council Decision No: 276/2024 dated 19th November, 2024 and National Executive Council Decision No: 297/2024 dated 26th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink, which appears to read 'M Toliman', is positioned above the printed name.

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

27th November, 2024.



STATUTORY INSTRUMENT.

No. of 2024

Income Tax (2025 Budget) (Amendment) Regulation 2024,

ARRANGEMENT OF CLAUSES.

1. Amounts allowed to be drawn from retirement savings accounts prescribed for the purpose of Section 29(1)(U) (Amendment of Section 5K).
2. Tax clearance certificate (Amendment of Section 90A).



STATUTORY INSTRUMENT.

No. of 2024.

Income Tax (2025 Budget)(Amendment) Regulation 2024,

Being a Regulation to amend the *Income Tax Regulation 1959*, and for related purposes,

MADE by the Head of State, acting with and in accordance with, the advice of the National Executive Council under the *Income Tax Act 1959* and is deemed to come into operation on 1 January 2025.

1. AMOUNTS ALLOWED TO BE DRAWN FROM RETIREMENT SAVINGS ACCOUNTS PRESCRIBED FOR THE PURPOSE OF SECTION 29(1)(U) (AMENDMENT OF SECTION 5(K)).

Section 5K of the Principal Regulation is amended by -

(a) repealing Subsection (1) and replacing it with the following new section:

“(1) in this Section, “remaining value” means the balance held in a retirement savings account on the first of January in any year, after all interest income derived in the previous year has been credited.”; and

(b) repealing Subsection (5) and replacing it with the following new subsection:

“(5) In the case any other amount drawn from a retirement savings account, other than for which Subsections (2), (3) and (4) apply, this drawing will result in the next interest payment credited to the account being subject to tax at the rate provided at Schedule 4.10 of the *Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates Act 1984*.”.

2. TAX CLEARANCE CERTIFICATE (AMENDMENT OF SECTION 90A).

Section 90A of the Principal Regulation is amended by repealing “K500,000.00” and replacing with “K1,500,000.00”.

MADE this

day of

2024.

.....
GOVERNOR-GENERAL.



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **Daniel Rolpagarea**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Income Tax (2025 Budget) (Amendment) Regulation 2024** and having formed the opinion that the Regulation is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 19th day of November 2024.

A handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke extending downwards.

Daniel Rolpagarea
State Solicitor



2025 National Budget

PNG FISCAL RESPONSIBILITY
(AMENDMENT BILLS , 2024

FISCAL RESPONSIBILITY (AMENDMENT), BILL
2024



CERTIFICATE.

I, certify that I have drafted the *Papua New Guinea Fiscal Responsibility (Amendment) Bill 2024* (Draft of 28/11/2024) in accordance with the National Executive Council Decision No: 295/2024 dated 25th November, 2024, and the Drafting Instructions.

A handwritten signature in blue ink, appearing to read "MT Toliman".

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

28th November, 2024.

EXPLANATORY MEMORANDUM

Fiscal Responsibility (Amendment) Bill 2024

The bill proposed the following:

1. The Government is amending the interim debt ceiling from 57.5% down to 55% as part of an ongoing effort to more quickly restore debt back to pre-COVID levels.



No. of 2024.

Papua New Guinea Fiscal Responsibility (Amendment) Bill 2024

ARRANGEMENT OF CLAUSE.

Principles for the Sound Fiscal Management (Amendment of Section 4).



A BILL

for

An Act

entitled

Papua New Guinea Fiscal Responsibility (Amendment) Bill 2024,

Being an Act to amend the *Papua New Guinea Fiscal Responsibility Act 2006*,

MADE by the National Parliament.

PRINCIPLES FOR THE SOUND FISCAL MANAGEMENT (AMENDMENT OF SECTION 4).

Section 4 of the Principal Act is amended by repealing Paragraph (ca) and replacing it with the following new paragraph:

- “(ca) until the end of a period -
- (i) of five years from the commencement of this Act, to mitigate temporary fiscal imbalances, the Government may exceed the lower boundary specified in Paragraph (c), but not in excess of 55 percent of the Gross Domestic Product; and
 - (ii) of 10 years from the commencement of this Act, to mitigate temporary fiscal imbalances, the Government may exceed the lower boundary specified in Paragraph (c), not in excess of 40 percent of the Gross Domestic Product, having regard to existing financing capacity, other liabilities and the size of contingent liabilities; and”.



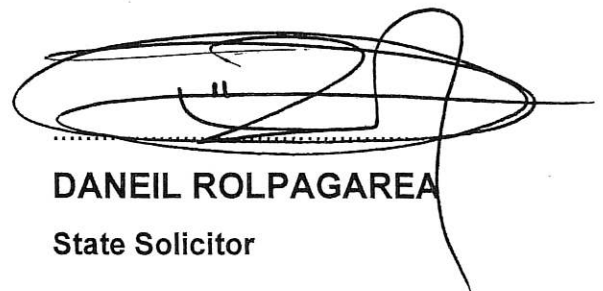
INDEPENDENT STATE OF PAPUA NEW GUINEA
OFFICE OF THE STATE SOLICITOR
CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Fiscal Responsibility (Amendment) Bill 2024** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 27 day of November 2024



DANEIL ROLPAGAREA
State Solicitor