

March 2019

Tax time approaching

With the majority of entities having a December year end, preparations are now underway for tax return season. The IRC has updated and now released the new Corporate Income Tax Form (Form C 2018) for use by corporate income tax payers.

As well as the usual cosmetic changes to identify the year of income, there are a few changes to note when completing the return. It is now mandatory in completing the form that certain statistical information is identified in the Form C. For example, it is now mandatory for taxpayers to disclose information on tax incentives, such as additional or accelerated depreciation utilised in a given year under Item 7 of the Form. This data is linked to other items within the form - rather than being completed as stand alone additional information as previously required.

Collecting data on the utilisation of tax incentives will clearly generate information that will form part of the process of identifying potential future policy changes as well as supporting the collation of information on tax expenditure that has been a feature of recent budget presentations.

We understand that returns not completed with the most recent template will not be processed by the IRC, meaning taxpayers should ensure that they check the source of the form as well as seek guidance as necessary with its completion.

IRC outreach continues

As part of the ongoing program by the IRC to improve taxpayer awareness, they are currently holding a number of general awareness forums across the country. These forums are aimed at updating taxpayers with respect to recent changes in tax legislation, to provide further information on IRC campaigns, and to expound on the themes the IRC has raised in their recent series of public notices.

During the current sessions taxpayers have been updated on a number of the initiatives currently underway, including:

- The organisation's continued program for recruitment, training and up-skilling of revenue policy officers. The overall staffing levels are planned to reach 1500 people by the end of 2019 - up from the current levels of approximately 1000.
- An acknowledgement that the SIGTAS administration system is reaching the end of its useful life and planning has commenced on replacing this with an Integrated Tax Administration System (ITAS) that will, among other features, support online lodgement of returns
- Participation in the stated fiscal policy objective of simplification of the taxation system for small and medium size enterprises. This was mooted as one of the policy development objectives for 2019 in last year's budget. On the back of any proposed legislative change the IRC would also consider supporting SMEs with a dedicated structural unit, in a similar move to the establishment of the LTO.

- Finally, the IRC also confirmed that bringing into effect the Tax Administration Act remains on the agenda, as part of their ongoing efforts to modernise and simplify tax administration.

These initiatives among others are an indication of IRC's focus on meeting the ever increasing revenue demands placed on the organisation. It also reflects the busy agenda that is being driven through the implementation of the Medium Term Revenue Strategy.

Update on Foreign Investment Regulatory Authority bill

As reported in last month's Pulse, a draft Foreign Investment Regulatory Authority Bill was tabled in Parliament during the last parliamentary session. The bill as drafted seeks to establish a new authority that will be tasked with certification of foreign investment - a task that is currently performed within the IPA. It also significantly extends the reserved activity list to limit the involvement of foreign investors in portions of the economy. Since being tabled, the bill has been subject to a range of concerns and this has prompted further engagement with a variety of stakeholders. Based on recent press statements by government ministers, it would appear that the bill (in its current form) will likely be withdrawn. Plans instead may feature on using existing structures such as the IPA to achieve the goals of monitoring foreign investment and boosting the role of SMEs in the economy.

If you would like to know more about these recent developments or have any other questions, please get in touch with your usual PwC contact.

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