



INTERNAL REVENUE COMMISSION



PUBLIC NOTICE

TAXPAYERS DERIVING RENTAL INCOME

The Internal Revenue Commission wishes to advise taxpayers in receipt of rental income that you are required under Section 313 of the Income Tax Act 1959 to lodge an income tax return setting forth a full and complete statement of rent derived, and any expenses claimed.

Tax return forms are freely available and can be downloaded from the IRC website www.irc.gov.pg and at our provincial offices.

Who is the target group?

The taxpayers targeted are landlords who are leasing rental properties or homeowners who are subleasing residential homes.

Tenants of rental properties are advised that the landlord is required to provide a Taxpayer Identification Number (TIN) when entering into a lease agreement with the landlord. This is for the purpose of compliance with stamp duty obligations and no housing variations will be granted where we do not have a stamped copy of the lease agreement.

If you are a brand new landlord:

- The first step is to apply for a TIN by completing a TIN1 form and lodging it at any IRC Office in the country. All IRC forms are available free from www.irc.gov.pg.
- You can scan and e-mail your TIN1 form (and supporting documentation) to the IRC at registrations@irc.gov.pg. Once you have your TIN you may lodge your income tax return.
- It is now a bank requirement that you need a TIN to operate a business bank account. Further information can be accessed from www.irc.gov.pg.

If you have an old registration number (TFN) and have not yet received a TIN:

-Mention this to the IRC Officers at the main taxpayer services counter, Ground Floor, Era Rumana Building, next to Mogoru Moto Building, if you are in Port Moresby, and they will assist you in having your account converted from a TFN to a TIN. Or you may e-mail registrations@irc.gov.pg.

Outstanding returns not lodged by the 30 June 2016 will incur the full late lodgment penalty being an amount equal to the tax assessed or an amount of K100 per calendar month or part thereof, from the date the return was due and when received, whichever is the greater.

Furthermore, failure to lodge an income tax return constitutes an offence and defaulters will be prosecuted to the full extent of the law and be subject to severe financial penalties. **The penalty for non-lodgment of income tax return is a fine not less than K500 and not exceeding K5,000 plus K50 for each day during which the failure continues.**

The Internal Revenue Commission is currently data matching rental payments from various sources.

Authorised by
Ms Betty Palaso, OBE
Commissioner General

Internal Revenue Commission - "Your Partner in Nation Building"
www.irc.gov.pg