

2017 IRC Outreach Program



Internal Revenue Commission

**Port Moresby
May 24, 2017**

So you are going into business!



First step: IPA Registration (Company or Business Name?)

Next step: TIN Registration with IRC

- Required to get a bank account
- Business Name vs: Individual TIN



What happens once I have a TIN



- 3 Obligations
 - Salary & Wages Withholding Tax
 - Goods & Services Tax
 - Annual Income Tax & Prov Tax Payments



Salary & Wages Tax



- Definition of an Employee
- Withhold from the gross payment you make to your employee
- Complete the form 'S2' and submit with payment to the IRC by the 7th day of the subsequent month
- Annual reconciliation return 'S6'



Goods & Services Tax



- Are you selling more than 250,000 Kina a year?
- Track your expenses and claim input credits
- Collect GST on your sales
- Complete the G1 form and submit (with payment if necessary) by the 21st of the subsequent month



Goods & Services Tax



- If you are in a Credit state with your business, you may transfer the credit to offset other tax debts, using a CR1 form.



Corporate Income Tax



- Annually: You must lodge a Corporate Income Tax Return.
- You may wish to engage a tax agent to assist



Corporate Income Tax



- Once you have lodged for your first year of operation, you will receive a Notice of Assessment which you must pay within 30 days of receipt.
- We will calculate 3 equal instalment (Provisional Tax) payments for the subsequent year on this basis.



Corporate Income Tax



- Prov. Tax Payments are due April 30, July 31, and October 31 annually. These can be varied by you voluntarily, if your business position changes throughout the year.
- We assume you will have a successful year consistent with the overall growth rate, if you do not vary.



Other Tax Types



- You may attract other Tax obligations depending on your business:
- Business Payments Tax (if you hire certain businesses within the informal sector)
- Dividend Withholding Tax (If you pay Dividends)



Other Tax Types



- Interest Withholding Tax
- Foreign Contractor Tax
- Royalties & Management Fees
- Stamp Duties



How do I keep current?



- www.irc.gov.pg
- Download all forms and check the latest news for tax issues
- Email us at SIGTAS@irc.gov.pg



How do lodge and make payments?



- In person, at Port Moresby, Era Rumana office. In Lae or in Kokopo at the Provincial IRC Processing Centres, or at any Provincial IRC office.
- Electronically – follow the instructions from the IRC website



Statistics



- The IRC has over 75,000 TINs for businesses and individuals today, and registers approximately 2500 additional new businesses and people a month.
- We process over 32,000 taxpayer transactions monthly.

