

EXPLANATORY MEMORANDUM

Excise Tariff (2018 Budget)(Amendment) Bill 2017

The bill proposes an amendment to increase diesel excise from the current 10 toea to 23 toea in 2018 to closely align with petrol excise.

Petrol is excised at 61 toea per litre and Diesel at 10 toea per litre. The preferential treatment of fuel excise based on end use is becoming less relevant as more diesel vehicles are used for purposes other than heavy commercial vehicles or agriculture or mining machineries. In addition, both diesel and petrol vehicles are contributing to the overall wear and tear of the road network. It is fair that all road users (both diesel and petrol vehicle owners) pay their fair share of excise.

The increase will not affect National Roads Authority (NRA) share of Diesel excise of 4 toea per litre.



INDEPENDENT STATE OF PAPUA NEW GUINEA

No. of 2017.

Excise Tariff (2018 Budget)(Amendment) Bill 2017

ARRANGEMENT OF CLAUSE.

1. Amendment of Schedule 1—Duties On Excise.



INDEPENDENT STATE OF PAPUA NEW GUINEA

A BILL

For

AN ACT

entitled

Excise Tariff (2018 Budget)(Amendment) Act 2017,

Being an Act to amend the *Excise Tariff Act 1956,*

MADE by the National Parliament and to come into operation on 1 January 2018.

1. EXCISE TARIFF (AMENDMENT OF SCHEDULE 1 – DUTIES ON EXCISE).

Schedule 1 of the Principal Act is amended by:-

- (i) Repealing the tariff item, description of goods and rates of excise duty and remarks shown in the following and replacing them with the tariff item, description of goods and rates of excise duty and remarks shown below:

“

TARIFF ITEM	DESCRIPTION	Excise Tariff Rates from 01st DEC Until 31st DEC 2017	Excise Tariff Rates from 01st JAN 2018	Remarks
2710.19.10	Diesel	K0.10/Lt	K0.23/Lt	