



No.352of 2021.

Excise Tariff (2022 Budget)(Amendment) Bill 2021.

ARRANGEMENT OF CLAUSE.

Duties on Excise (Amendment of Schedule 1).



A BILL

For

AN ACT

entitled

Excise Tariff (2022 Budget)(Amendment) Bill 2021,

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

MADE by the National Parliament and deemed to come into operation on -

- (a) in respect to Paragraphs (a), (b) and (c) - 1st December 2021; and
- (b) in respect of Paragraph (d) - 1st January, 2022.

DUTIES ON EXCISE (AMENDMENT OF SCHEDULE 1).

Schedule 1 of the Principal Act is amended -

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

TARIFF ITEM	DESCRIPTION	FROM 7TH SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 AND ONWARDS	REMARKS
2203.00.10	Beer or mixed drinks containing beer, not more than 2.5% alcohol by volume	K88.96 per lal	K91.18 per lal	The duty rate for Alcohol products is adjusted at 6 monthly intervals, on 31 st of May and 30 th November each year. The rates will be indexed at 2.5% bi-annual.
2203.00.20	Beer or mixed drinks containing beer, more than 2.5% and not more than 3.5% alcohol by volume	K114.80 per lal	K117.67 per lal	

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TARIFF ITEM	DESCRIPTION	FROM 7TH SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 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.	K130.80 per lal	K134.07per lal	The duty rate for Alcohol products is adjusted at 6 monthly intervals, on 31 st of May and 30 th November each year. The rates will be indexed at 2.5% bi-annual.
2203.00.40	Beer or mixed drinks containing beer, more than 4.5% alcohol by volume.	K151.89 per lal	K155.69 per lal	
2204.10.10	Sparkling wine of fresh grapes: sold in containers holding less than 2 litres	K175.82 per lal	K180.22 per lal	
2204.10.20	Sparkling wine of fresh grapes: sold in containers holding 2 litres or more	K176.01 per lal	K180.41per lal	
2204.29.10	Wine of fresh grapes, including fortified wines, grape must; sold in containers holding less than 2 litres	K176.01 per lal	K180.41per lal	
2204.29.90	Wine of fresh grapes, including fortified wines, grape must; sold in containers holding more than 2 litres	K176.01 per lal	K180.41per lal	
2205.10.00	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances, sold in containers holding less than 2 litres	K176.01 per lal	K180.41per lal	
2205.90.00	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances, sold in containers holding 2 litres or more.	K176.01 per lal	K180.41per lal	
2206.00.10	Other – Made substantially from edible products grown in PNG with a volume of alcohol content of up to 10%	K74.98 per lal	K76.85 per lal	

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TARIFF ITEM	DESCRIPTION	FROM 7TH SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 AND ONWARDS	REMARKS
2206.00.90	Other fermented beverages	K151.70 per lal	K155.49 per lal	The duty rate for Alcohol products is adjusted at 6 monthly intervals, on 31st of May and 30th November each year. The rates will be indexed at 2.5% bi-annual.
2208.2	Spirits obtained by distilling grape wine or grape mare			
2208.20.10	Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages, containing by volume not more than 50%	K219.75per lal	K225.24 per lal	
2208.20.20	Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages, containing by volume more than 50% and less than 80%	K235.76 per lal	K241.65per lal	
2208.20.90	Other, undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages	K220.03 per lal	K225.53 per lal	
2208.3	Whiskies:			
2208.30.10	Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages, containing alcohol by-volume not more than 50% ;	K219.75 per lal	K225.24 per lal	
2208.30.20	Undenatured ethyl alcohol, spirits, liquors and other spirituous beverages, containing alcohol by volume more than 50% and less than 80%	K235.76 per lal	K241.65 per lal	
2208.30.90	Other, undenatured ethyl alcohol, spirits, liquors and other spirituous beverages.	K220.03 per lal	K225.53 per lal	
2208.4	Rum and tafia:			
2208.40.10	Undenatured ethyl alcohol, spirits, liquors and other spirituous beverages, containing alcohol by volume not more than 50%	K219.75 per lal	K225.24 per lal	

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TARIFF ITEM	DESCRIPTION	FROM 7TH SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 AND ONWARDS	REMARKS
2208.40.20	Undenatured ethyl alcohol, spirits, liquors and other spirituous beverages, containing alcohol by volume more than 50% and less than 80%	K235.76 per lal	K241.65 per lal	
2208.40.90	Other, undenatured ethyl alcohol, spirits, liquors and other spirituous beverages.	K220.03 per lal	K225.53 per lal	The duty rate for Alcohol products is adjusted at 6 monthly intervals, on 31st of May and 30th November each year. The rates will be indexed at 2.5% bi-annual.
2208.5	Gin and Geneva:			
2208.50.10	Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages, containing alcohol by volume not more than 50%	K219.75 per lal	K225.24 per lal	
2208.50.20	Undenatured ethyl alcohol, spirits, liquors and other spirituous beverages, containing alcohol by volume more than 50% and less than 80%	K235.76 per lal	K241.65 per lal	
2208.50.90	Other, undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages.	K220.03 per lal	K225.53 per lal	
2208.6	Vodka:			

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TARIFF ITEM	DESCRIPTION	FROM 7TH SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 AND ONWARDS	REMARKS
2208.60.10	Undenatured ethyl alcohol, spirits, liqueurs and her spirituous beverages, containing alcohol by volume not more than 50%	K219.75 per lal	K225.24 per lal	The duty rate for Alcohol products is adjusted at 6 monthly intervals, on 31st of May and 30th November each year.
2208.60.20	Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages, containing alcohol by volume more than 50% and less than 80%	K235.76 per lal	K241.65 per lal	The rates will be indexed at 2.5% bi-annual.
2208.60.90	Other, undenatured ethyl alcohol, spirits, liquors and other spirituous beverages	K220.03 per lal	K225.53 per lal	
2208.7	Liqueurs and cordials:			
2208.70.10	Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages, containing alcohol by volume not more than 50%	K219.75 per lal	K225.24 per lal	

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TARIFF ITEM	DESCRIPTION	FROM 7TH SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 AND ONWARDS	REMARKS
2208.70.20	Undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages, containing alcohol by volume more than 50% and less than 80%	K235.76 per lal	K241.65 per lal	The duty rate for Alcohol products is adjusted at 6 monthly intervals, on 31st of May and 30th November each year. The rates will be indexed at 2.5% bi-annual.
2208.70.90	Other, undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages.	K220.03 per lal	K225.53 per lal	
2208.90.20	Mixed drinks of a strength more than 3% alcohol by volume, not for medicinal purposes	K106.68 per lal	K109.35 per lal	
2208.90.30	Mixed drinks of a strength more than 3% and not more than 4.5% alcohol by volume, not for medicinal purposes	K130.65 per lal	K133.92 per lal	
2208.90.40	Mixed drinks more than 10% alcohol by volume, not for medicinal purposes	K689.66 per lal	K789.66 per lal	The duty rate for Alcohol products is adjusted at 6 monthly intervals, on 31 st of May and 30 th November each year. A one-off further increase of K100.0 is applied on tariff item 2208.90.40 starting, 1 st December 2021 to 31 st May 2022 and 2.5% is applied bi-annually thereon

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- (b) by repealing the tariff item, description of goods and rates of excise duty and remarks relating to tobacco as shown in the Schedule and replacing them with the tariff item, description of goods and the rates of import duty shown below -

TARIFF ITEM	DESCRIPTION	FROM 1ST SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 AND ONWARDS	REMARKS
2402.10.00	Cigars, cheroots and cigarillos containing tobacco	K547.31 per kg	K560.99 per kg	The duty rate for Tobacco products is adjusted at 6 monthly intervals, on 31 st of May and 30th November each year. The rates will be indexed at 2.5% bi-annual.
2402.20.10	Cigarettes of tobacco or tobacco substitutes with filter containing tobacco. Manufacturer's selling price (MSP) K16.00 and above per 25's pack <i>or</i> K640.00 per thousand sticks.	K547.31 per 1000 sticks	K560.99 per 1000 sticks	
2402.20.20	Cigarettes of tobacco or tobacco substitutes without filter containing dark fired tobacco (Spear or equivalent)	K273.70 per 1000 sticks	K280.54 per 1000 sticks	
2403.11.10	Smoking tobacco, whether or not containing tobacco substitutes in any proportion	K182.49 per kg	K187.05 per kg	
2403.11.30	Chewing tobacco	K182.49 per kg	K187.05 per kg	
2403.11.40	Snuff	K182.49 per kg	K187.05 per kg	
2403.11.50	Twist or trade tobacco	K182.49 per kg	K187.05 per kg	
2403.11.60	Stick tobacco	K182.49 per kg	K187.05 per kg	
2403.11.70	Coarse Shredded Tobacco for roll your own Cigarettes	K88.22 per kg	K90.43 per kg	

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TARIFF ITEM	DESCRIPTION	FROM 1ST SEPTEMBER 2021 TO 30TH NOVEMBER 2021	FROM 1ST DECEMBER 2021 AND ONWARDS	REMARKS
2403.91.00	“Homogenised” or reconstituted” tobacco	K253.49 per kg	K259.83 per kg	
2403.99.00	Other	K182.49 per kg	K187.05 per kg	

- (c) by adding a new tariff item, description of goods and rates of excise duty and remarks relating to tobacco as shown below -

TARIFF ITEM	DESCRIPTION	From 1st December 2021 to 30th November 2023.	REMARKS
2402.20.40	Cigarettes of tobacco or tobacco substitutes with filter containing tobacco that is locally manufactured in Papua New Guinea. This item must carry a Manufacturer’s Selling Price (MSP) below K16.00 per 25’s pack or K640.00 per thousand sticks.	K209.67 per 1000 sticks	<p>This second excise tier is introduced with no six-monthly excise indexation to assist local tobacco manufacturers against cheap illicit tobacco products for two years 2020 to 2021.</p> <p>For local manufacturers to sell this second tier, it must first sell the main tier before qualifying for this tier (2402.20.20) to qualify. Only 50% of the main tier (2402.20.20) will be allowed to be cleared in this new tier (2402.20.40).</p> <p>The second tier is intended to assist local tobacco manufacturers against cheap illicit tobacco products.</p>

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(d) by repealing the tariff item rate of excise duty relating to electric vehicles and replacing it with the following new rate:

TARIFF ITEM	DESCRIPTION	EXCISE TARIFF RATES FROM 01ST JANUARY, 2021	EXCISE TARIFF RATES FROM 01ST JANUARY, 2022 AND ONWARDS
8703.80.00	Other vehicles, with only electric motor for propulsion	20%	Free