

---

## **APPENDIX 1: REVENUE TABLES**

Table 1.1:	Summary of Infrastructure Tax Credit Scheme (Kina Millions).
Table 1.2:	Incentives Under the Income Tax Act Resulting in Permanent Loss of Revenue (Kina).
Table 1.3	Incentives Under the Income Tax Act Involving Deferral of Income Tax (Kina)
Table 1.4	Exemptions Under the Stamp Duties Act (Kina)

**Table 1.1: Summary of Infrastructure Tax Credit Scheme (Kina Millions)**

	<b>Actual 2003</b>	<b>Actual 2004</b>	<b>Est. 2005</b>	<b>Est. 2006</b>	<b>Proj 2007</b>
Total Mining & Petroleum Taxes Paid	396.5	634.3	1076.8	1900.6	1292.8
Mining & Petroleum Taxes Paid by companies involved in ITC	396.5	634.3	1076.8	1900.6	1292.8
Total ITC Claimed & Allowed	39.1	98.6	71.6	100.2	85.4
Expenditure Incurred on Approved ITC Projects	40.0	34.7	20.3	71.1	85.4
Tax Credit Claimed as Percentage of Taxes Paid by Companies Subject to ITC	9.9	15.6	6.7	5.1	6.6
Excess Credits Carried Forward (from prior years)	na	na	na	na	na

Notes: 1. A total tax expenditure of K85.4 million is expected to be incurred on approved ITC Projects in 2007. Detailed information on this expenditure is not yet available.

2. Tax Credit expenditures for 2006 are based on company tax returns assessed by October 2006.

3. ITC is abbreviated for Infrastructure Tax Credit

4. na: not available

Source: Department of National Planning & Monitoring and Internal Revenue Commission

**Table 1.2: Incentives Under the Income Tax Act Resulting in Permanent Loss of Revenue (Kina)**

Section	Description	2002		2003		2004		2005		Grand Total
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount
35	Exempt interest	10	813,500	13	3,920,015	13	668,579	14	879,026	6,281,120
35A	Fishing Operations	-	-	-	-	1	609,560	-	-	609,560
45B	Export Sales Exemptions	6	1,963,930	2	438,121	3	7,921,226	3	14,886,021	25,209,298
45I	Rural Development	2	565,585	4	10,183,140	2	10,464,731	1	766,789	21,980,245
45N	Bougainville Incentive	5	578,255	4	1,339,688	1	128,263	-	-	2,046,206
46AA	Rabaul Incentive	2	248,409	1	46,606	1	121,517	-	-	416,532
69A	Gifts to Sporting Bodies	5	10,910	6	53,092	5	24,235	-	-	88,237
69C	Gifts to Law, Order and Justice	-	-	1	250	-	-	1	261	511
69E	Gifts to Charities	7	29,696	4	18,588	3	122,481	3	8,346	179,111
69I	Gifts to National Day Celebrations	3	85,651	-	-	-	-	-	-	85,651
69J	Gifts to PNGSC 2000 Olympics	-	-	-	-	-	-	-	-	-
70A	Deduction for Education Expenses	54	871,060	48	890,982	19	502,882	18	371,208	2,636,132
72A	Double Deduction - Training	39	5,581,061	34	3,368,011	17	1,007,736	14	1,077,324	11,034,132
72C	Double Deduction - Export market Development	5	960,997	5	1,236,070	2	54,069	2	88,591	2,339,727
95	Research and Development - 150%	-	-	-	-	1	1,521,216	5	4,528,983	6,050,199
97A	Primary production Development Expenditure	3	221,894	1	9,468,376	-	-	-	-	9,690,270
97B	Agricultural Extension Services - 150%	-	-	-	-	3	915,218	1*	313,322	1,228,540
CH 119	Pioneer Industries	3	2,964,867	-	-	-	-	-	-	2,964,867
		<b>144</b>	<b>14,895,815</b>	<b>123</b>	<b>30,962,939</b>	<b>71</b>	<b>24,061,713</b>	<b>61</b>	<b>22,919,871</b>	<b>92,840,338</b>

Note: Number means the number of tax payers claiming the concessions.

A dash means no exemptions were recorded.

\* Figures available for only 1 tax payer at the time of this report - 20 October 2006

Source: Internal Revenue Commission

Table 1.3: Incentives Under the Income Tax Act Involving Deferral of Income Tax (Kina)

Section	Description	2002		2003		2004		2005		Grand Total Amount
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	
68A	Solar Heating	1	13,705	-	-	-	-	-	-	13,705
73 (3)	Depreciation 20% loading	6	1,622,279	1	32,629	1	7,289	1	265,428	1,927,625
73(6)	Depreciation-non oil fired plant	1	313,828	1	37,434	-	-	-	-	351,262
73(7)	Depreciation-industrial plant	8	4,579,740	8	19,659,536	3	5,480,576	5	5,028,452	34,748,304
73(9)	Depreciation - Primary Production	5	10,639,231	3	12,090,999	1	65,386	1	63,217	22,860,833
		<b>21</b>	<b>17,168,783</b>	<b>13</b>	<b>31,820,598</b>	<b>5</b>	<b>5,553,251</b>	<b>7</b>	<b>5,357,097</b>	<b>59,901,729</b>

Note: Number means the number of tax payers claiming the concessions.

A dash means no exemptions were recorded.

Source: Internal Revenue Commission

**Table 1.4: Exemptions Under the Stamp Duties Act**

<b>Schedule 1</b>	<b>Description of Exemptions</b>	<b>2005 Number</b>	<b>Amount</b>	<b>2006 Number</b>	<b>Amount</b>	<b>Grand Total Amount</b>
Item 5	First Time Home Buyers Exemption	772	1,258,869	597	1,099,361	2,358,230
Item 5	Charities	11	192,651	1	57,500	250,151
Item 8	Wills	2	11	1	7,500	7,511
Item 16	Transfers of marketable securities	-	-	1	9	9
Section 6	Purchase of Property by State Instrumentalities	7	144,944	2	8,800	153,744
		<b>792</b>	<b>1,596,475</b>	<b>602</b>	<b>1,173,170</b>	<b>2,769,645</b>

Note: Number means number of transactions  
 2005 figures are from January to December 2005  
 2006 figures are from January to September 2006  
 A dash means no exemptions were granted

Source: Internal Revenue Commission