

01<sup>st</sup> September, 2015

Head Secretariat  
PNG Tax Review Secretariat  
P. O. Box 1598  
Boroko, NCD

ATTENTION: Sir Nagora Bogan

Dear Sir,

**RE: ADVERTISEMENT- PC'S EDITION OF 31<sup>st</sup> AUGUST, 2015 ON PAPUA NEW GUINEA TAXATION REVIEW (2013-2015)**

We refer to your advertisement published in PC's edition of 31<sup>st</sup> of August, 2015 where public opinion was sought again to contribute recommendations for adjustment to the PNG Taxation structure in light to the Scope of The Review prior to the final Tax Adjustment next month, October of 2015.

In response to the above, we would like to kindly tender the following recommendation below for your committee's perusal and ask of it's irrevocable consideration. Our points, on behalf of our co-workers as stated below and speaking from humanitarian standpoint are labor focused of which we believe many who are in the labour workforce nationwide will share similar sentiments in support to reviewing the tax system as regards Personal Income Tax (PIT) regime.

On this occasion, we hereby respond to the Scope of The Review, section (a) Personal Income Tax Regime to propose a downward adjustment to the taxable percentage that is applied currently on the employee's wages fortnightly of which incurably has become a growing concern against current inflation.

**Personal Income Tax (PIT) Apologetic**

From the outset, the labour workforce as we know of in PNG has being accountable for a major portion of the country's economic revenue both directly in terms of consistent personal income tax contributed annually and indirectly in terms of labor procession of goods and services that galvanizes a wide spectrum of cash flow of the whole economy. Whilst the labour has experienced no tax rebates to date in contrast to corresponding periods of inflation, the labour-force's commitment has being irrevocable and as such has committed itself thoroughly intact, however, has suffered domestic losses for so long yet being so quiet. We the labour need to be compensated by way of the authority declaring a serious tax reduction rate in the adjustment exercise to the current wages tax structure; this is our call that needs to be seriously considered in the reviewing process.

**Recommendation**

We the concerned party therefore recommend that;

1. A new wages Personal Income Tax percentage be nominated from the perception stated below;

<b>a. WAGES RANGE</b>	<b>PROPOSED INCOME TAX PERCENTAGE</b>
a.1 K800.00 upwards per f/n	Tax 15%

We believe the above proposed percentage adjustment to 15% of Personal Income Tax deduction fortnightly is reasonable. Our analysis have proven that the domestic household demands of which we make purchases are all tainted with multiple taxes as well which makes no difference after all.

The sample analysis below speaks for itself as follows;

<b>1. Pay per f/n</b>	<b>@800.00</b>
2. Tax - 15%	@120.00
<b>3. Net</b>	<b>@680.00</b>
4. NPF	Normal

#### **Costs**

5. Power	@50.00
6. Groceries	@500.00 high cost – 10kg Roots rice @38.00, 10kg flour @55.00
7. Public Transport	@40.00 Consider rural PMV costs
8. Gas	@50.00 small bottle
9. Savings	Nil

#### **Contrast**

Even 15% deduction as seen from the sample analysis above will not help very much however that's our call in response to the reviewing exercise. Considering the fact as regards the LNG windfall and multiple mineral revenues the country collects each year in and out, we see no reason why 15% deduction of the PIT cannot be considered as a justified rate. Seemingly the above presentation is sound and justified by all forces of reality, we hereby call for the above recommendation to be considered in plight of the silent majority and kindly have our proposal approved and implemented as quietly desired.

We hope to receive a reasonable contrasting feedback from your committee.

#### **Disclaimant**

The contents of the proposal above duly represents the general consensus reached by the sales and administration staff of Ela Motors Ltd and not the concerns of the company in anyway.

Kind Regards,



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