

REPUBLIC OF NAURU

TELECOMMUNICATIONS SERVICE TAX (AMENDMENT) NO. 2 BILL 2016

EXPLANATORY MEMORANDUM

The *Telecommunications Service Tax (Amendment) No. 2 Bill 2016* is a Bill for the *Telecommunications Service Tax (Amendment) No. 2 Act 2016*. The amendments are consequent upon the inclusion of the Telecommunications Service Tax Act 2009 as a “tax law” for the purposes of the *Revenue Administration Act 2014*. The amendments also make some technical corrections to the Telecommunications Service Tax Act 2009.

EXPLANATION OF CLAUSES

Clause 1 provides that, once enacted, the short title of the Bill will be the *Telecommunications Service Tax (Amendment) No. 2 Act 2016*.

Clause 2 sets out when the Bill’s provisions will commence.

Clause 3 is the enabling provisions for the amendment of the *Telecommunications Service Tax Act 2009*.

Clause 4 amends section 4 of the *Telecommunications Service Tax Act 2009* which provides for the imposition and payment of telecommunications service tax.

Section 4(4) of the Act is amended to make clear that the monthly summary for a month is due at the same time as the Telecommunications Service Tax is due for payment for the month. This avoids any argument, based on a literal reading of section 4(4) of the Act that the monthly summary for a month is due when the Telecommunications Service Tax for the month is actually paid rather than due for payment.

Clause 5 amends section 5 of the Act, which provides for the payment and collection of Telecommunications Service Tax. The amendment is consequent upon the inclusion of the Act as a “tax law” for the purposes of the Revenue Administration Act 2014.

Section 5 is amended to provide that the mode of payment and collection of Telecommunications Service Tax is in accordance with Part 7 of the Revenue Administration Act 2014, which provides general rules for the collection and recovery of taxes covered by the Revenue Administration Act 2014.

Clause 6 amends section 7 of the Act which provides that the Minister responsible for finance has responsibility for administration of the Act. The amendment is consequent upon the inclusion of the Act as a “tax law” for the purposes of the Revenue Administration Act 2014.

The amendment to section 7 provides that the Secretary has responsibility for the administration of the Act. This aligns with the administration of the other tax laws (the Business Tax Act 2016 and the Employment and Services Tax Act 2014).

Clause 6 inserts a new section 16 which provides that the Revenue Administration Act 2014 applies for the purposes of the administration of the Telecommunications Service Act 2009. However, the application of the Revenue Administration Act 2014 is subject to the provisions of the Telecommunications Service Tax Act 2009. Consequently, any procedural and administrative rules in the Telecommunications Service Tax Act 2009 (such as the penalty and offence provisions in Part IV) apply in priority to any equivalent provisions in the Revenue Administration Act 2014.