

REPUBLIC OF NAURU

TELECOMMUNICATIONS SERVICE TAX (AMENDMENT) BILL 2016

EXPLANATORY MEMORANDUM

The *Telecommunications Service Tax (Amendment) Bill 2016* is a Bill for the *Telecommunications Service Tax (Amendment) Act 2016*.

EXPLANATION OF CLAUSES

Clause 1 provides that once enacted, the short title of the Bill will be the *Telecommunications Service Tax (Amendment) 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(2) of the Act by increasing the rate of tax payable from ten per cent to fifteen per cent. The section will now read:

(2) "The amount of telecommunications service tax payable is fifteen per cent of the total gross sales revenue received by the service provider in respect of sales of telecommunications services in a calendar month."

Clause 5 amends section 13 of the Act by omitting the reference to section 3 and substituting with the reference to section 4. The section will now read:

"A service provider that fails, without lawful excuse, to pay the tax in accordance with subsections (1), (2) and (3) of section 4 commits an offence and is liable to a penalty of \$50,000."

Clause 6 amends section 15 of the Act by omitting the reference to section 6 and substituting with the reference to section 4. The section will now read:

"A service provider that fails to submit the monthly statement required under subsection (4) of section 4 commits an offence and is liable to a penalty of \$10,000."