

EXPLANATORY MEMORANDUM
Excise Tariff (2014 Budget)(Amendment) Bill 2013

PNG as a member of the World Customs Organization (WCO) is obliged to impose rules on international trade and these rules should be within the legitimacy of the WCO rules.

This amendment is intended to address the inconsistent descriptions of alcohol products in the *Excise Tariff Act 1956* and *Customs Tariff Act 1990* to ensure improved administration. The amendment to the Excise Tariff Act will reflect the 2012 Harmonised System (HS) descriptions consistent with the WCO requirement.

The amendment will also shift certain alcohol products to higher tax bands to attract higher excise duty.

EXCISE TARIFF (2014 BUDGET)(AMENDMENT) BILL 2013

MR SPEAKER,

THE BILL PROPOSES:

AN AMENDMENT TO THE *EXCISE TARIFF ACT 1956* TO ADDRESS THE INCONSISTENT DESCRIPTIONS OF ALCOHOL PRODUCTS IN THE *EXCISE TARIFF ACT 1956* AND *CUSTOMS TARIFF ACT 1990* TO ENSURE IMPROVED ADMINISTRATION. THE AMENDMENT WILL REFLECT THE 2012 HARMONISED SYSTEM (HS) DESCRIPTIONS CONSISTENT WITH THE WORLD CUSTOMS ORGANISATION REQUIREMENT.

THE AMENDMENT ALSO SHIFTS CERTAIN ALCOHOL PRODUCTS TO HIGHER TAX BANDS TO ATTRACT HIGHER EXCISE DUTY.

MR SPEAKER, I COMMEND THE BILL



No. of 2013.

Excise Tariff (2014 Budget) (Amendment) Bill 2013,

ARRANGEMENT OF CLAUSE.

Excise Tariff (Amendment of Schedule 1 - Duties on Excise).



A BILL
for
An Act
entitled

Excise Tariff (2014 Budget) (Amendment) Bill 2013,

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

MADE by the National Parliament to come into operation on 1st January 2014.

EXCISE TARIFF (AMENDMENT OF SCHEDULE 1 - DUTIES ON EXCISE).

Schedule 1 of the *Excise Tariff Act* (Chapter 107) is amended by repealing the existing HS coding and descriptions and substituting it with the following:

Tariff Item	Description
2203.00.10	Beer or mixed drinks containing beer, not more than 2.5% alcohol by volume.
2203.00.20	Beer or mixed drinks containing beer, more than 2.5% and not more than 3.5% alcohol by volume.
2203.00.30	Beer or mixed drinks containing beer, more than 3.5% and not more than 4.5% alcohol by volume.
2203.00.40	Beer or mixed drinks containing beer, more than 4.5% alcohol by volume.