

# TAX RA SIOPAI

◆ A llach ra beluu er a Belau el Public Law NO. 6-26 a sileldii a ududir a rechad ra ngodech el beluu el mo diak el sebeched el melas (minus) er ngii ra sungyu ra siobai e bechu de harau a tax.

◆ Maluaisei, e ngomuchel ra kot el kebesengil a kot el buil ra rak ra erul dart el telael ma edei **(Jan. 1, 2003)**, ea rebek el chad lousiobai a mo diak el lolas (minus) ra ududir a rechad ra ngodech el beluu ra sales ra siobai el bechu le harau a tax. Ngdi ududir a rechad er Belau a sebechir el melas er ngii (100%) era sales er tir ra uchei ra le harau a tax.

A ngii dil chad el ngarngii a keril kirel tiang, a sebechel lomekedong ra den-gua el 488/2465/2580 malechub eng 488-3303 ra temel a ureor ra kabel-ment.

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## New Tax Requirements

(Effective January 1, 2003)



## Division of Revenue & Taxation



## WAGES AND SALARY TAX REQUIREMENTS

- ◆ RPPL 6-26 amended 40 PNC Section 1101 by repealing exemption from taxation on wages and salary. Effective **January 1, 2003**, every employee is required to pay wages and salary taxes regardless of amount of wages and salary received.

## WAGES AND SALARY TAX RATE

- ◆ There shall be assessed, levied, collected and paid a tax of six (6%) percent upon the first \$8,000 and twelve (12%) percent upon amount over \$8,000 of wages and salary received by every employee.
- ◆ Every employee is liable for paying wages and salary tax on all wages and salaries received.
- ◆ However, management of assessment, deductions and payment of such taxes to the National Government rest upon every employer.

## GROSS REVENUE TAX REQUIREMENTS

RPPL 6-26 amended 40 PNC Chapter 12 by eliminating deductions allowable for wages and salaries paid to non-citizen employees.

### EFFECTIVE JANUARY 01, 2003

Every person engaging in a business and/or profession shall be assessed, levied and shall pay tax of four percent (4%) of gross revenue of the business; provided the entire amount paid to citizen employees who are residents in Palau shall be deducted from the gross revenue of the business before assessing the tax. Resident employee means employee domiciled in the Republic during the tax year.

### “NET INCOME”

#### **SHOULD YOU HAVE ANY QUES-**

RPPL 6-26 amended 40 PNC 1002 (y) purposely eliminating deductions of salaries, bonuses paid and other compensation for personal services of non-citizen employees.

**TIONS, PLEASE FEEL FREE TO  
CONTACT US AT TELEPHONE  
NUMBERS 488-  
2465/2580/3303 DURING GOV-  
ERNMENT WORKING HOURS.**

## BECHES EL TELENGTENGIL A TAX RA UDUDIR

### A RECHAD

- ◆ A llach ra beluu er Belau el Public Law No. 6-26 a sileldii a dimla ngar ngii el Llach el kmo, a chad el loureor e mesuk ra erul telael el meriou ra tal rrak a diak el harau a tax. Maluaisei, e ngomuchel ra kot el buil ra erul telael ma edei (January 01, 2003), ea rokui el chad loureor a mo harau a tax.

## TAX RA UDUDIR A RECHAD

- ◆ A kot el leiai el telael (\$8,000) ra ududel a chad ra tal rrak a chelolem el basent (6%) a teksel, ea udoud lengelakl ra cheai el telael a teruich ma cherul basent (12%) a teksel.
- ◆ Ngerchelir ar bek'l chad loureor el harau a tax ra rokui el ludoud el suk.
- ◆ A chad el lomdoud (employer), a ngerchelel loreked a tax ra ududel a chedal e harau el mera Kabelment el diak bol meoud ra okedei el klebesei ra uriul ra lududii a chedal.