



BUREAU OF REVENUE & TAXATION
MINISTRY OF FINANCE
P.O. BOX 6069 KOROR, REPUBLIC OF PALAU 96940
TEL: (680) 488-2465/2580/3303 FAX: (680) 488-3844

PUBLIC ANNOUNCEMENTS

1. **2020 Business License application and renewal process** season will commence on **25 November 2019**. Many tax forms have been updated and uploaded into the internet on the Bureau's website (www.palau.gov.pw/brt), and taxpayers are encouraged to visit the website and obtain the newly revised BRT forms for immediate use or pick up copies at the Bureau. *All 2019-active business licenses must be renewed before or by 31 January 2020, to avoid being deactivated and removed from the tax business license registry.*
2. The Bureau continues to update its licensed business registry, and many active licenses continue to report zero activities, and in effort to streamline our tax administration function on licensing of businesses and revenue collection, many dormant businesses that have reported no gross over (zero activities) for more than a year will be deactivated and removed from the registry, prior to 1 January 2020.
3. **Plastic Bag Use Reduction Act of 2017 (RPPL 10-14)** put into effect on November 8 (Friday) the ban on the use of plastic bags by businesses and other establishments, including use by individuals, and a fine of \$1,000 for each day of violation. The Bureau of Revenue and Taxation will be enforcing the law in the business community and wishes to remind all businesses and commercial establishments to comply with the law.
4. In light of recent discovery of potential **commercial misuse of the internet** by both licensed and unlicensed entities, the Bureau, at the direction of and in consultation with the Ministers of Finance and Justice, has activated an investigative unit to monitor and bring to account business establishments and individuals who are suspected of engaging in illegal online activities. Any licensed or unlicensed entity caught engaging in, sponsoring, or housing perpetrators of illegal online activities will be fined and referred for prosecution by the Attorney General to the fullest extent of the law, including automatic revocation of business licenses or denial of new business licenses, if found guilty. **Title 17, Chapter 16 of PNC criminalizes gambling** of all sorts, and engaging in, promoting or facilitating gambling activities is punishable under ROP laws, including possible loss of license to operate a business.
5. ***For the incoming Tax Calendar Year 2020***, the Bureau reminds all taxpayers to comprehensively and timely file ALL of their due taxes to avoid invocation of much steeper penalties and interests for each day filed late. ***STARTING JANUARY 2020 there will be NO WAIVING OF LATE PAYMENT PENALTIES AND INTERESTS in the coming new tax year as part of the Bureau's effort to enhance the Republic's tax administration.***
6. **Domestic Workers/Helpers and Wage Taxes:** The Bureau reminds all employers of domestic and household employees to timely and fully file and pay their workers' due wage taxes. Going forward in 2020, there will be no waiving of penalties and interests owed to the Government due to failure of

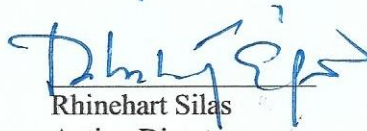
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employers to file and pay due wage taxes for his/her domestic/household employees. Failure to file proper taxes and fully pay all due taxes can lead to legal and administrative complications, including initiation of legal and administrative proceedings towards revocation of employees' work permits and/or repatriation of domestic or household employees.

7. Taxpayers are required to come to the BRT with **flash drives** to get the necessary software to efficiently and effectively manage all due tax returns in the coming tax year. This is an important process change as a step towards offering e-filing in the near future.
8. **Air BNB:** operators of such commercial establishment are required to comply with the business and tax laws of the Republic and are mandated to come register with the Bureau. Anyone caught illegally operating an Air BNB or hotel of any kind without proper licensing will be denied future business licenses and referred to the Office of the Attorney General for investigation and appropriate prosecution.
9. **Apartment Business:** Operators of apartment or leasing of any building or spaces are required under law to keep all related business transaction documents. In that respect, lease agreements for apartment businesses are to be kept in order and readily available when requested by the Bureau. Failure to do so will incur legally stipulated fines, penalties and possible prosecution under ROP laws.
10. **Land Lease Law:** Leasing land is subject to GRT. The Bureau calls on anyone who has leased his/her property to come forth and pay their due GRT to avoid incurring steep penalties and interests.
11. **Non-Profit Entities Registration, Fee and Returns Submission:** any organization that purports to operate as non-profit must register with the Bureau to obtain proper certification and license (with payment of general business license fee of \$50) as required by law, and in order to avail the "tax refund" entitlement to donors to non-profit organizations.
12. Call the Bureau at 488-2580/3303 if you have any questions or concerns.

Date: 11.15.19


Rhinehart Silas
Acting Director