



## **Bureau of Revenue and Taxation**

Ministry of Finance

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### **Bureau of Revenue & Taxation Launches the Business Profits Tax Return for Public Review and Consultation**

The Bureau of Revenue & Taxation is pleased to inform the public, particularly all PGST-registered persons and all commercial banks operating in the Republic of Palau, that the Business Profits Tax Return, or the Tax 502 form, is now available for public consultation.

The Business Profits Tax (BPT) is a tax imposed on the net income of a PGST-registered person and all commercial banks at the maximum rate of tax applicable to wages and salary, currently set at 12%. It is mandatory for all PGST-registered persons and all commercial banks to file their Business Profits Tax Return after the conclusion of each of their tax years. Once the BPT Return has been filed, the amount of BPT liability is determined and evaluated based on the installments paid throughout the relevant tax year.

The Bureau of Revenue & Taxation strongly advises all PGST-registered persons and all commercial banks to review the form at their earliest convenience to understand the requirements and prepare all necessary information. As always, we remain dedicated to actively seek feedback from taxpayers, aiming to enhance the development of processes to ensure ease of fulfilling tax obligations and complying with tax law requirements.

The Business Profits Tax Return is accessible on our website <http://www.palau.gov.org/tax>, or a physical copy can be obtained at the Bureau of Revenue & Taxation Office located at the One Stop Shop Building in Ngerbeched, Koror. We encourage PGST-registered persons and all commercial banks to provide their comments and views on the return form via email to [taxreform@palau.gov.org](mailto:taxreform@palau.gov.org) for consideration.