

A BILL FOR AN ACT

To amend 40 PNC Chapter 13, to exempt materials and equipment for use in renewable energy projects from import tax, and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

1 **Section 1. Legislative Findings.** The Olbiil Era Kelulau finds that alternative
2 sources of energy must be found to lessen the dependence of the Republic of Palau and its
3 citizens on fossil fuels. An import tax exemption should be available to encourage
4 businesses and individuals to construct homes and businesses in energy efficient ways, and
5 to promote use of alternative fuels.

6 **Section 2. Import Tax Exemptions.** 40 PNC §1306, created by RPPL No. 6-40,
7 Section 27 is hereby amended to read as follows:

8 § 1306. Exemptions.

9 (a) The following are exempt from the import tax imposed pursuant to §
10 1301:

11 (1)

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13 (4) raw materials and finished goods used or to be used in
14 construction of solar powered homes or buildings, for use by businesses or
15 individuals;

16 (5) raw materials, finished goods or equipment to be used for
17 manufacturing products using renewable energy technology;

18 (6) vehicles manufactured to run on bio-fuels or hybrid vehicles.

19 (b) The Minister may prescribe regulations to exempt any other goods,
20 commodities, resources, or merchandise from taxation under this chapter. The
21 Minister may also broaden or narrow the categories of imports subject to the
22 exemptions specified in subsection (a)(4)-(6) above, in accordance with the
23 purposes of this Act. †The Minister prescribe regulations for the supervision and
24 identification of the goods sent into a free trade zone from the customs territory.

1 **Section 3.** Effective date. This Act shall take effect upon its approval by the
2 President of the Republic of Palau or upon becoming law without such approval.

Date: 2-4-09

Introduced by. /s/

Tommy E. Remengesau, Jr.
Senator

/s/
Mlib Tmetuchl
Senate President

/s/
Kathy Kesolei
Senate Vice President

/s/
Raynold B. Oilouch
Senate Floor Leader

/s/
Adalbert Eledui, Senator

/s/
Surangel Whipps, Jr., Senator

/s/
Hokkons Baules, Senator

/s/
Regis Akitaya, Senator

/s/
Mark U. Rudimch, Senator

/s/
Regina Mesebeluu, Senator

/s/
Joel Toribiong, Senator

/s/
Alfonso N. Diaz, Senator

/s/
Paul W. Ueki, Senator