

*RULES AND REGULATIONS ON REFUND OF CONTRIBUTIONS TO
NONPROFIT CORPORATION, TUITION PAYMENTS, AND OR
OVER-PAYMENT OF WAGE AND SALARY TAX PURSUANT TO RPPL 7-13*

40 PNC §1104

Refunds: Refunds on contribution to nonprofit corporation.

- a) If it is shown upon application by an employee that there has been withheld from his wages or salary any tax not due thereon, then the Director shall refund the amount overpaid within 30 days from the application. For the purpose of this division, any employee may be eligible to receive refund under this subsection if:
1. *At the end of the tax year such employee files with Director of Bureau of Revenue, Customs and Taxation an application for refund indicating the amount of wage and salary tax erroneously assessed, levied, collected from his wages and or salary and paid over to the Director during that tax year;*
 2. *Application is made on a form prescribed by this division;*
 3. *Deadline for filing an application and or furnishing other related information shall be on or before 4:30 pm March 31st each year;*
 4. *Upon verification, the Director shall refund the correct amount over paid within 30 days from the date of receipt of such application.*
- b) If an employee files with the Director a verified receipt indicating money paid for preschool, elementary, secondary or post secondary school tuition for his own children or those under his guardianship, and/or financial contributions made by such employee to nonprofit corporations during the tax year, the Director shall refund such amounts within 90 days after the end of the tax year; provided that the amount of such a refund shall not exceed 10 percent of the income taxes paid by that employee in that tax year. Any employee may be eligible to receive refund under this subsection if:
1. *At the end tax year an employee files an application and receipt indicating money paid for tuition and or contributed/donated to nonprofit corporation,*
 2. *employee making and filing the application is the same person who actually paid for the tuition and or made the contribution;*
 3. *an employee is not in debt with Republic of Palau (debt clearly related to taxes);*
 4. *payment and or contribution was made in either: (1) personal check, (2) cashier's check, (3) money order, (4) credit card and or by means of allotment;*

5. *Receipt is from a school and or nonprofit corporation within the Republic of Palau,*
6. *Receipt is original and or copy of an original with no alteration of whatsoever;*
7. *the child or children is/are employee's natural or legally adopted child/children;*
8. *For the purpose of this subsection, guardianship means a person responsible for housing, food, health care and other necessities of a person deemed incapable of providing these necessities for himself and or herself the other parents;*
9. *nonprofit corporation is registered and in good standing with Attorney General Office;*
10. *Application is filed and any other required information furnished on or before 4:30 pm March 31st each year;*

40 PNC §1206 *Refunds: Business contributions to nonprofit corporations.*

- a) If a business files with the Director a verified receipt indicating financial contributions made by such business to nonprofit corporations during the tax year, the Director shall refund amounts within 90 days after the end of that tax year provided that the amount of such refund shall not exceed 10 percent of the gross revenue or net income taxes paid by that business in that tax year or equal to the amount of contribution; whichever is less. For the purposes of this section, “financial contribution” means money contributed/donated.
 1. *taxpayer (business) is not in debt with the Republic of Palau (debt clearly related to taxes),*
 2. *receipt is original and or copy of an original and no alteration of whatsoever and from a nonprofit corporation within the Republic;*
 3. *Application is filed and or other required information furnished on or before 4:30 pm March 31st each year;*
 4. *nonprofit corporation is operated exclusively for the purpose as defined under 40 PNC;*
 5. *nonprofit corporation is registered and in good standing with the Attorney General Office for that tax year,*

