



REVIEW OF THE TAX LAWS AMENDMENT (2011 MEASURES NO. 9) BILL 2011

The House Economics Committee will inquire into and report on the Tax Laws Amendment (2011 Measures No. 9) Bill 2011. The Bills are available from the committee's website.

Schedule 1 enables certain super fund members to electronically request the consolidation of their super through the Tax Office. This is especially applicable to lost accounts.

Schedule 2 makes technical changes to capital gains tax in relation to business restructures. These amendments are beneficial to taxpayers.

Schedule 3 amends the GST treatment of financial services, following Treasury's *Review of the GST financial supply provisions*. In particular, they:

- increase the first limb of the financial acquisitions threshold from \$50,000 to \$150,000;
- exclude financial supplies consisting of a borrowing made through the provision of a deposit account by an Australian authorised deposit-taking institution from the current concession for borrowings; and
- allow taxpayers who account on a cash basis to treat an acquisition made under a hire purchase agreement as though they do not account on a cash basis.

Schedule 4 restores the policy intent of the GST treatment of new residential premises, following the Full Federal Court decision in *Gloxinia Investments* in May 2010. Initial concerns with the exposure draft related to retrospectivity, which in some cases dated back to 2000. Restrospectivity is now limited to 27 January 2011, the date of Minister Shorten's announcement.

Schedule 5 makes changes to the list of deductible gift recipients and Schedule 6 corrects typographical errors, clarifies provisions and repeals inoperative provisions in the tax law.

The Chair of the Committee, Julie Owens, said that the committee will examine the adequacy of the Bills in achieving the policy objective and where possible identify any unintended consequences.

Interested persons and organisations are invited to make **submissions to the inquiry by Friday, 9 December 2011.**

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