

## **Tax Laws Amendment (Clean Building Managed Investment Trust) Bill 2012**

*Introduced into the House of Representatives on 10 October 2012*

*Portfolio: Treasury*

1.2 This bill amends the *Income Tax (Managed Investment Trust Withholding Tax) Act 2008*, the *Income Tax Assessment Act 1997* and the *Taxation Administration Act 1953* to provide a concessional final withholding tax rate of 10 per cent on fund payments from eligible Clean Building Managed Investment Trusts (MITs) made to foreign residents in countries with which Australia has effective exchange of information (information exchange countries). Fund payments made by a Clean Building MIT will otherwise be subject to a final withholding tax of 30 per cent.

### *Right to non-discrimination*

1.3 The statement of compatibility explains that the bill provides for the differential treatment of certain classes of taxpayers as it differentiates 'between those non-residents who are from information exchange countries and those who are not'. The statement provides the following justification for concluding that the differential treatment does not amount to discrimination:

The differentiation between non-residents from information exchange countries and other non-residents is a feature of the existing MIT withholding regime. Allowing only those non-residents from information exchange countries to access the MIT withholding concessions, including the concession provided for in this Bill, is an integrity measure that is intended to provide a strong signal of Australia's non-tolerance of international tax evasion and avoidance.

1.4 The committee considers that these measures are unlikely to raise any issues of concern with regard to the right to non-discrimination in article 26 of the International Covenant on Civil and Political Rights.

**1.5 The committee welcomes the upfront and clear way in which the statement identifies and deals with the issue of differential treatment in the bill.**