

Minerals Resource Rent Tax Amendment (Protecting Revenue) Bill 2013

Introduced into the House of Representatives on 11 February 2013

By: Mr Bandt MP

1.64 This bill seeks to amend the *Minerals Resource Rent Tax Act 2012* to provide that a mining royalty modification should be disregarded for the purposes of working out the amount of a royalty credit. The intention of this amendment is to protect the revenue generated from the Minerals Resource Rent Tax from being eroded by state governments increasing royalties.¹⁶ This bill proposes to amend the *Minerals Resource Rent Tax Act 2012* to clarify that it was the intention of the principal Act that companies subject to the minerals resource rent tax may claim a credit for royalty payments made to State governments only at the level which applied as of 1 July 2011, and that subsequent increases in royalties not be taken into account for this purpose.

Compatibility with human rights

1.65 The bill is accompanied by a self-contained statement of compatibility which states that the bill does not engage any of the applicable human rights and freedoms, and is therefore compatible with human rights.

1.66 To the extent that the bill seeks to 'clarify' the intention of the principal Act and that 'clarification' is not the meaning that would be attributed to the Act on ordinary principles of statutory interpretation, it may give rise to issues of retrospectivity in the imposition of liability for tax and of liability to related penalties and offences.

1.67 However, the statement notes that the bill would affect only bodies corporate and that therefore the human rights in the relevant treaties (which are enjoyed by natural persons) do not apply. It is generally considered to be the position that the UN human rights treaties confer rights only on natural persons; however, it has been accepted that there might be circumstances in which the regulation of corporations may have an indirect impact on the rights of natural persons that would engage the treaties.

1.68 The committee considers that this bill does not appear to give rise to human rights concerns.

16 See explanatory memorandum to the bill.