LEGISLATIVE RESEARCH SERVICE
DEPARTMENT OF THE PARLIAMENTARY LIBRARY

FRINGE BENEFITS TAX BILL 1986

Date introduced: 2 May 1986
House: House of Representatives
Presented by: Hon. Paul Keating, M.P., Treasurer

DIGEST OF BILL

Purpose

To formally impose a tax on fringe benefits and to set the rate of tax.

Background

This Digest should be read with that for the Fringe Benefits Tax Assessment Bill (No. 86/71).

Main Provisions

Clause 5 will impose a tax on the fringe benefit tax amount of an employer. This term is defined in section 136 of the Fringe Benefits Tax Assessment Bill to be the total taxable value of the fringe benefits provided by an employer.

Clause 6 contains the rate of tax. It will be 46% (the current corporate tax rate) for the year commencing 1 July 1986 and 49% for the year commencing 1 April 1987 and subsequent years. (As part of the September Statement on tax reform the Government announced changes to corporate taxation that envisage an increase in the corporate tax rate to 49%).

Clause 7 will preempt possible Constitutional challenges to clause 5.
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Economics and Commerce Group.

For further information, if required, contact the

- 2 -