FRINGE BENEFITS TAX (APPLICATION TO THE COMMONWEALTH) BILL 1986

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

DIGEST OF BILL

Purpose

To extend the fringe benefits tax to Commonwealth departments and certain statutory bodies.

Background

This Digest should be read with the Digest for the Fringe Benefits Tax Assessment Bill 1986 (No. 86/71).

Main Provisions

Clause 3 contains the interpretation provisions. Department is defined to include Departments of State, the Parliamentary Departments and any part of the Australian Public Service in relation to which a person has the powers of a Secretary of a Department. The term 'responsible Department' is used to define the Department responsible for an employee for the purposes of the fringe benefits tax. It will generally depend on the manner of appropriation for the employee.

Clause 4 will apply the tax to Departments. For this purpose, the Departments, rather than the Commonwealth, will be deemed to be the employers and to be companies.

Clause 5 will make it clear that the fringe benefits tax will apply to Commonwealth authorities that are generally tax exempt.
A loan made under the Defence Service Homes Act 1918 by virtue of war service will be an exempt benefit (clause 6).

The Minister for Finance will have power to give directions to give effect to this Bill (clause 7).

Clause 8 will require the Commissioner to note any breaches or evasions of this Act in the Annual Report.

Clause 9 contains the regulation making power.

For further information, if required, contact the Economics and Commerce Group.

26 May 1986

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LEGISLATIVE RESEARCH SERVICE

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