DATE INTRODUCED: 19 August 1986
HOUSE: House of Representatives
PRESENTED BY: Hon. Chris Hurford, M.P.,
Minister Assisting the Treasurer

DIGEST OF BILL

Purpose

To formally impose income tax for the 1986-87 and 1987-88 financial years at the rates declared by the Income Tax Rates Bill 1986.

Background

The Commonwealth law with respect to income taxation has been contained in separate Acts since the first enactment in 1915; one Act dealing with the subject of tax, its assessment and collection, and others imposing the tax. The convention of having separate Acts has its origin in section 55 of the Constitution which provides that laws "imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect".

Also refer to the Digest for the Income Tax Rates Bill 1986 (No. 86/123).

Main Provisions

Sub-clause 5(1) formally imposes income tax at the rates declared in the Income Tax Rates Bill 1986.

Sub-clause 5(3) will make it clear that certain non-profit companies will not pay tax where their taxable income is $416 or less.

Where, following an assessment, it is found that the taxpayer owes the Commissioner, or the Commission owes the taxpayer, 49 cents or less, clause 6 will allow the
assessment to be amended to increase or decrease the amount of tax payable to cover the amount owed.

Clause 7 provides that the tax levied by sub-clause 5(1) will be payable in 1986-87 and, unless Parliament determines otherwise, 1987-88.

Clauses 8 and 9 formally impose provisional tax for 1986-87.

Clause 10 will authorise the collection of tax instalments in 1986-87.

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