

Coalition Senators' Minority Report

Tax Laws Amendment (Political Contributions and Gifts) Bill 2008

This is not the first time the Senate has seen the salient elements of this Bill before this Parliament. The Rudd Government introduced this measure as part of Tax Laws Amendment Bill Measures Number 1 Bill 2008 – schedule 1 but it was defeated in the Senate in June 2008, after the Senate had referred the provisions of the legislation to the Joint Standing Committee on Electoral Matters for investigation and report.

The current law provides that subject to certain conditions, contributions or gifts of money or property to political parties, independent members and independent candidates are tax deductible up to a maximum of \$1,500 per financial year.

This Bill amends the Income Tax Assessment Act 1997 (ITAA 1997) and the Income Tax Assessment Act 1936 (ITAA 1936) to remove tax deductibility for contributions or gifts to political parties, independent members and independent candidates.

Coalition Senators' view

The view of the Coalition members of the Committee is that campaign finance reform is a complex issue with various aspects interdependent on one another.

The Rudd Government is currently working on a Green Paper regarding campaign finance reform.

Coalition Senators accept that this is a complex issue and accept that lengthy delays in the preparation of the Green Paper are therefore understandable. Coalition Senators believe however, that the introduction of this Bill and the Commonwealth Electoral Amendment (Political Donations and other measures) Bill 2008 prior to the release of even the Green Paper, significantly diminishes the Government's claims that it is seeking comprehensive campaign finance reform.

Rather Coalition Senators believe that the Government is cherry-picking campaign finance reform to meet its own partisan political needs.

The view of the Coalition members of the Committee is that this Bill has various taxation and revenue elements which require it to be considered in the context of the yet to be released Green Paper. The taxation, revenue and economic implications of the recommendations of the Green Paper should not be considered in isolation to other measures such as the ones put forward by this Bill.

A responsible government would adopt a holistic, broad, bi-partisan view of the issue and most importantly, consider what is in the best interests of the community and our democracy.

Recommendation

Coalition Senators believe that further debate in the Senate on this Bill should be deferred until proper public scrutiny and discussion of the Green Paper and the report of the Joint Standing Committee into Electoral Matters into the reference made by the Senate on 11 March 2008 are had.

Senator Alan Eggleston