

1987-88-89

THE PARLIAMENT OF THE COMMONWEALTH

OF AUSTRALIA

HOUSE OF REPRESENTATIVES

INCOME TAX ASSESSMENT AMENDMENT BILL 1989

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Circulated by the authority of the Treasurer,
the Hon. P.J. Keating, M.P.)

INTRODUCTORY NOTE

This supplementary explanatory memorandum explains the amendment proposed to the Income Tax Assessment Amendment Bill 1989.

GENERAL OUTLINE

The amendment will amend clause 4 of the Bill so that the requirement otherwise imposed by the clause on certain group employers to remit, twice monthly, the income tax deducted from the salary or wages of employees, will first commence with the requirement to remit by 21 February 1990 the deductions made in the period 1-14 February 1990.

FINANCIAL IMPACT

The amendment will have no cost to revenue.

NOTES ON AMENDMENT

Clause 4 of the Bill will amend the Income Tax Assessment Act 1936 (the "Assessment Act") to insert a new section 221EC to require certain group employers (referred to as "early remitters") to pay the tax instalment deductions made from salary or wages of employees to the Commissioner of Taxation on a twice-monthly basis.

By subsection (2) of section 221EC, a group employer cannot be an early remitter in relation to a month before December 1989. As a consequence, clause 4, operating in conjunction with the amendment proposed by clause 5 of the Bill to section 221F of the Assessment Act, seeks to impose on employers a requirement to remit deductions made in the period 1-14 December 1989 to the Commissioner by 21 December 1989.

The amendment to clause 4 ensures that a group employer cannot be an early remitter in relation to a month before February 1990. As a result, employers will first be required to remit deductions made in the period 1-14 February 1990 by 21 February 1990. Deductions made in December 1989 and January 1990 will be remitted, in accordance with the existing law, by 7 January and 7 February 1990 respectively.



9 780644 171625