

1980-81

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT (PERSONAL INCOME TAX SHARING) AMENDMENT BILL 1981

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Treasurer,
the Hon John Howard, MP)

Local Government (Personal Income Tax Sharing) Amendment Bill 1981

The Bill provides for the inclusion in the Local Government (Personal Income Tax Sharing) Act 1976 of a number of definitions, a provision relating to the declaration of special surcharges and special rebates and to the determination of the base figure by the Commissioner of Taxation.

These matters are related to the base figure on which the local government tax sharing entitlement is calculated. Because the definition of the base figure in the Local Government (Personal Income Tax Sharing) Act 1976 includes a reference to the States (Personal Income Tax Sharing) Act 1976, repeal of the latter Act would require that relevant provisions similar to those in the repealed Act (but with deletion of the reference to the health insurance levy which is no longer operative) be included in the Local Government (Personal Income Tax Sharing) Act 1976 in order to define the base figure for purposes of that Act and to enable continuation of payments under the Local Government (Personal Income Tax Sharing) Act 1976.

The purpose of the Bill is to enable the Commonwealth to continue to pay Local Governments an amount equal to 2 percent of net personal income tax collections as defined each year.