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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**SUPERANNUATION SUPERVISORY LEVY AMENDMENT BILL 1995**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer,  
the Hon. Ralph Willis, MP)



## **SUPERANNUATION SUPERVISORY LEVY AMENDMENT BILL 1995**

### **GENERAL OUTLINE AND MAIN PURPOSE OF THE BILL**

This Bill amends the Superannuation Supervisory Levy Act 1991 (the 'Levy Act') to make a minor amendment to the method of calculation of the 'late lodgment amount'.

The 'late lodgment amount' forms a component of the superannuation supervisory levy which superannuation entities are required to pay to cover the cost of prudential supervision of the industry. The liability to pay the levy arises on lodging an annual return under the Superannuation Industry (Supervision) Act 1993.

A 'late lodgment amount' can become payable under the Levy Act if a superannuation entity is late in lodging an annual return. The amendment to the calculation of the 'late lodgment amount' will ensure consistency with related provisions dealing with the method of calculation of the 'late payment penalty' under Part IIIAA of the Superannuation Entities (Taxation) Act 1987.

### **FINANCIAL IMPACT STATEMENT**

The changes are not expected to have any overall impact on revenue.

## **EXPLANATORY NOTES ON THE SUPERANNUATION SUPERVISORY LEVY AMENDMENT BILL 1995**

### **Clause 1 - Short Title**

1. Self explanatory.

### **Clause 2 - Commencement**

2. The amendments made by the Bill commence on Royal Assent.

### **Clause 3 - Schedule**

3. Self explanatory.

## **Schedule**

### **Background**

4. Section 15DA of the Superannuation Entities Taxation Act 1987 provides that the trustee of a superannuation entity who lodges an annual return under section 36 of the Superannuation Industry (Supervision) Act 1993 is liable to pay a levy on that lodgment. The amount of levy is worked out under section 6 of the Levy Act.

5. Under section 6 of the Levy Act, the levy comprises two components. These are the basic levy amount (which is determined under regulations) and the late lodgment amount (which is determined under subsection 6(2)) and applies if a return is lodged after the end of the period of grace for the return.

### **Items 1 and 2 - Amendments to subsection 6(2)**

6. The amendments to subsection 6(2) will mean that a late lodgment amount will now arise for each calendar month which begins after the required return lodgment day and before the day on which the return is lodged. For example, if a return is due on 31 October in a particular year and not lodged until 11 December in that year then a late lodgment amount will be calculated under the amended subsection 6(2) in respect of:

the month beginning 1 November; and  
the month beginning 1 December.

7. In the above example, if the return had been lodged by 14 November no late lodgment amount would apply due to the return being lodged within the period of grace (refer paragraph 6(1)(b) of the Levy Act).

8. Calendar month is defined by paragraph 22(1)(g) of the Acts Interpretation Act 1901 as being 'a period commencing at the beginning of a day of one of the 12 months of the year and ending immediately before the beginning of the corresponding day of the next month or, if there is no corresponding day, ending at the expiration of the next month'.

9. These amendments will ensure consistency with the method of calculation of the late payment penalty under subsection 15DC(2) of the Superannuation Entities Taxation Act 1987 (as that subsection is proposed to be amended by Taxation Laws Amendment Bill No. 2 1995).

### **Item 3 - Application**

10. The amendment to the method of calculating the late lodgment amount applies only in relation to returns lodged for the 1994/95 or a later year of income.