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THE PARLIAMENT OF THE COMMONWEALTH

OF AUSTRALIA

SENATE

SALES TAX (EXEMPTIONS AND CLASSIFICATIONS)

AMENDMENT BILL (NO. 2) 1989

SUPPLEMENTARY EXPLANATORY MEMORANDUM

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

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INTRODUCTORY NOTE

The supplementary explanatory memorandum explains the amendment proposed to the Sales Tax (Exemptions and Classifications) Amendment Bill (No. 2) 1989 as introduced into the Senate.

GENERAL OUTLINE

The amendment will amend paragraph (a) of clause 3 of the Bill to make clear that the exemption for certain goods made from recycled paper only applies if all the paper in the goods is made wholly from recycled paper.

FINANCIAL IMPACT

The amendment is of a clarifying nature and will have no revenue consequences.

NOTES ON AMENDMENT

Paragraph (a) of clause 3 of the Bill amends the First Schedule of the Sales Tax (Exemptions and Classifications) Act 1935 to exempt certain paper products from sales tax where all the paper in the goods is recycled paper. A detailed explanation of the paragraph is contained in the notes on clause 3 in the explanatory memorandum.

This amendment will make clear that goods covered by the proposed exemption item are only exempt from sales tax if all the paper in the goods is recycled.

For the purposes of the proposed exemption paper will be taken to be recycled if all the fibre in the paper is derived from pulped waste paper and pulped waste cardboard. Where goods, such as exercise books, are partly made of cardboard, the cardboard will be taken to be recycled if all the fibre in the cardboard is derived from pulped waste paper and pulped waste cardboard.