

1995

THE PARLIAMENT OF THE COMMONWEALTH

SENATE

SALES TAX ASSESSMENT (REFUNDS FOR CERTAIN PUBLIC
INTERESTS AND CHARITABLE BODIES) AMENDMENT ACT
1995

PRIVATE SENATOR'S BILL

EXPLANATORY MEMORANDUM

(Circulated by authority of Senator John O. W. Watson)

Outline

This Bill amends the Sales Tax Assessment Act 1992 to enable certain public interest and charitable bodies to claim a refund of sales tax, and for related purposes.

Date of effect: The Act commences on the day on which it receives the Royal Assent.

Financial impact: Not known, although significant for small “exempt institutions” it should not be material in a Commonwealth Budgetary context.

Purpose: The purpose of this Bill is to provide a legislative framework to allow certain public interest and charitable bodies to claim a refund of sales tax.

What is the problem: The ATO is relying on the omission of a technical provision in the Sales Tax Legislation to deny the opportunity of a credit or refund in circumstances of overpayment of sales tax. The difficulty generally arises when, on placing an order for goods by a public benevolent institution or hospital (an exempt body), the purchasing officer inadvertently omits to have an accompanying signed sales tax declaration, or when sales tax is incorrectly charged beyond the control of the “exempt body”.

Solution: An amendment of a machinery nature to the Sales Tax Assessment Act 1922, to provide the necessary legislative framework in the form of a “credit ground” to require amounts wrongly collected to be returned in respect of tax on goods purchased by an exempt body, where the claim is more than \$100.



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