

1992

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WOOL TAX (ADMINISTRATION) AMENDMENT BILL 1992

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Treasurer, the Hon John Dawkins,
MP and the Minister for Primary Industries and Energy, the Hon Simon
Crean, MP)

General Outline

1. The Wool Tax (Administration) Amendment Bill 1992 will amend the Wool Tax (Administration) Act 1964 to provide that, where the Minister for Primary Industries and Energy determines that a rebate of wool tax will be applicable to shorn wool tax payable in the following financial year, persons liable to pay the shorn wool tax will be entitled to the rebate.
2. The Bill complements amendments relating to rebates that are being proposed to the Australian Wool Realisation Commission Act 1991 which are contained in the Primary Industries and Energy Legislation Amendment Bill (No 2) 1992.
3. The changes will commence on Royal Assent.

Financial Impact

4. The changes proposed by this Bill will have no net effect on revenue.

NOTES ON INDIVIDUAL CLAUSES

Clause 1 - Short title, etc

5. Formal.

Clause 2 - Commencement

6. The Bill commences on Royal Assent.

Clause 3 - Rebate of tax

7. This clause inserts a new section 12A into the Principal Act.

8. Subsection 12A(1) defines shorn wool tax as tax imposed on shorn wool (other than carpet wool) by a Wool Tax Act. Carpet wool is not liable for that part of the wool tax which is payable to the Australian Wool Realisation Commission and is therefore not eligible for a rebate.

9. Subsection 12A(2) provides that if the Minister for Primary Industries and Energy determines that persons who will become liable to pay shorn wool tax during the following financial year should be entitled to a rebate of that tax, any person who is so liable is entitled to the rebate.

10. Subsection 12A(3) provides that the amount of the rebate is equal to such percentage of the sale value of shorn wool (other than carpet wool) on which the person is liable to pay the tax as is specified in the Minister's determination.

11. Subsection 12A(4) provides that if a person who is liable to pay the tax under section 11 of the Principal Act is entitled to a rebate, then that person, or any person liable under section 12 to pay the tax, is only required to pay the difference between the prescribed amount of the tax and the amount of the rebate. In practice, if the prescribed rate of tax is 12% and the rebate is determined at 2% then the person need only remit 10% to the Australian Taxation Office.



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