

Passed by both Houses



New South Wales

Insurance Protection Tax Amendment Bill 2001

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I certify that this PUBLIC BILL, which originated in the LEGISLATIVE ASSEMBLY, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.

*Clerk of the Legislative Assembly.
Legislative Assembly,
Sydney, , 2001*



New South Wales

Insurance Protection Tax Amendment Bill 2001

Act No , 2001

An Act to amend the *Insurance Protection Tax Act 2001* to vary the arrangements for the imposition and collection of tax under that Act; and for other purposes.

I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.

Chairman of Committees of the Legislative Assembly.

The Legislature of New South Wales enacts:

1 Name of Act

This Act is the *Insurance Protection Tax Amendment Act 2001*.

2 Commencement

- (1) This Act is taken to have commenced on 1 July 2001, except as provided by this section.
- (2) Schedule 1 [10] and [11] commence on the date of assent.

3 Amendment of Insurance Protection Tax Act 2001 No 40

The *Insurance Protection Tax Act 2001* is amended as set out in Schedule 1.

Schedule 1 Amendments

(Section 3)

[1] Section 3 Definitions

Omit the definition of *insurer*. Insert instead:

insurer means a person:

- (a) who writes general insurance, and
- (b) who does so otherwise than as an insurance intermediary, and
- (c) who is registered under the Commonwealth *Insurance Act 1973*.

[2] Part 2, Division 1, heading

Omit "General". Insert instead "Insurers".

[3] Section 4, heading

Omit the heading. Insert instead "Imposition of tax on insurers".

[4] Section 5, heading

Insert "from insurers" after "collected".

[5] Section 5 (1) and (2)

Insert "on insurers" after "this Act" wherever occurring.

[6] Section 5 (1) and (2)

Omit "\$69 million" wherever occurring. Insert instead "\$65 million".

[7] Section 6

Omit the section. Insert instead:

6 Insurers to notify Chief Commissioner of premium income for preceding financial year

- (1) An insurer must, on or before 15 August in each year, lodge with the Chief Commissioner a return in a form approved by the Chief Commissioner specifying:
 - (a) the total amount of premiums received by it in relation to general insurance in the preceding year, and
 - (b) the total amount of any refunds of premiums made by it in relation to general insurance in the preceding year.

Maximum penalty: 100 penalty units.

- (2) A single return for a year may be lodged on behalf of two or more insurers who are related bodies corporate within the meaning of the Commonwealth *Corporations Act 2001*.

[8] Section 8 Apportionment of tax between insurance companies

Insert after section 8 (3):

- (4) If a single return for a year has been lodged on behalf of two or more insurers who are related bodies corporate within the meaning of the Commonwealth *Corporations Act 2001*, the liability of those insurers to pay the tax imposed by this Act for the year is to be assessed as if those insurers were a single insurer.
- (5) Insurers who are assessed for tax in accordance with subsection (4) are jointly and severally liable for the tax.

[9] Section 10 Receipt and refund of premiums

Insert after section 10 (2):

- (2A) A premium or instalment of a premium received by another person on an insurer's behalf is taken to have been received by the insurer when the premium or instalment (or any part of the premium or instalment) is paid to the insurer or credited in the insurer's accounts.

[10] Part 2, Division 2

Insert after section 11:

Division 2 Insured persons

11A Liability of certain insured persons

- (1) This section applies to a person who obtains, effects, or renews any general insurance as an insured person with a person who is not an insurer.
- (2) A person to whom this section applies must, within 21 days after the end of the month in which the premium relating to the insurance is paid to a person (not being an insurer) or insurance intermediary:
 - (a) lodge with the Chief Commissioner a return in a form approved by the Chief Commissioner containing such particulars and information as to the premium and the insurance as the Chief Commissioner may require, and
 - (b) pay to the Chief Commissioner as tax under this Act an amount equal to 1% of the premium.
- (3) A person to whom this section applies is taken to have complied with this section if the person's duty under this section is discharged by another person acting on the person's behalf.

[11] Part 2, Division heading

Re-number the Division commencing immediately before section 12 as Division 3.

[12] Section 20A

Insert after section 20:

20A Register of insurers

- (1) The Chief Commissioner must keep a register of the insurers who are registered under this Part.

- (2) Anyone may inspect the register without charge at the Chief Commissioner's principal office during the hours that the office is open to the public.

[13] Section 27

Insert after section 26:

27 Tax liability for year commencing 1 July 2001

- (1) Despite section 5 (1), the Governor, on the recommendation of the Treasurer, may determine that the total amount of tax imposed by this Act on insurers for the year commencing on 1 July 2001 is to be an amount that is specified in the determination and that is less than \$65 million but not less than the total amount of instalments paid or payable by an instalment date specified by the Chief Commissioner under subsection (3) that occurs before the date on which the determination takes effect.
- (2) Despite section 8, the Chief Commissioner must make an assessment under that section for the tax year commencing on 1 July 2001 not later than 15 March 2002.
- (3) Despite section 15 (3), the first three instalments of tax to be paid under this Act for the year commencing 1 July 2001 are payable by such dates as may be specified by the Chief Commissioner in the relevant notice of assessment.