



New South Wales

State Revenue Legislation Further Amendment Bill 2001

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

This Bill is cognate with the *Appropriation Bill 2001*.

Overview of Bill

The object of this Bill is to remove or reduce certain State taxes.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on 1 July 2001.

Clause 3 is a formal provision giving effect to the amendments to the *Debits Tax Act 1990* set out in Schedule 1.

Clause 4 is a formal provision giving effect to the amendments to the *Duties Act 1997* set out in Schedule 2.

Clause 5 is a formal provision giving effect to the amendments to the *Electricity Supply Act 1995* set out in Schedule 3.

Schedule 1 Amendment of Debits Tax Act 1990

Schedule 1 amends the *Debits Tax Act 1990* to enable the Governor, by proclamation, to appoint a day for the abolition of tax under that Act, and to remove, as a consequence, certain obligations currently imposed under that Act. Contingent on arrangements to be made by the Commonwealth, it is anticipated that debits tax will be abolished on 1 January 2002.

Schedule 2 Amendment of Duties Act 1997

Instruments relating to superannuation

Schedule 2 [1] and **[2]** abolish, with effect from 1 July 2001, the duty of \$20 payable on the instruments specified in section 60 of the Act relating to superannuation funds, approved deposit funds, pooled superannuation trusts and eligible rollover funds.

Lease instruments

Schedule 2 [3], **[4]** and **[7]** remove franchise arrangements from the lease duty base with effect from 1 July 2001.

Schedule 2 [5] and **[6]** increase the tax-free threshold for a lease that is determined according to the total cost of the lease from \$3,000 (or \$3,000 per year) to \$20,000 (or \$20,000 per year), with effect from 1 July 2001.

Hire of goods

Schedule 2 [8]–[12] increase the tax-free threshold for the hire of goods that is determined according to hiring charges received from ordinary hires that are not special hiring arrangements from \$6,000 per month to \$14,000 per month, with effect from 1 July 2001.

Schedule 3 Amendment of Electricity Supply Act 1995

Schedule 3 [1] provides that the electricity distributor's levy that is imposed under Division 5 of Part 3 of the *Electricity Supply Act 1995* on the holder of an electricity distributor's licence cannot be imposed for the year commencing 1 July 2001, or any subsequent year, unless the Treasurer approves the determination of the levy.

Schedule 3 [2] makes the same provision with respect to the transmission operator's levy that is imposed under Division 1 of Part 4A of the *Electricity Supply Act 1995*.



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Contents

	Page
1 Name of Act	2
2 Commencement	2
3 Amendment of Debits Tax Act 1990 No 112	2
4 Amendment of Duties Act 1997 No 123	2
5 Amendment of Electricity Supply Act 1995 No 94	2
Schedules	
1 Amendment of Debits Tax Act 1990	3
2 Amendment of Duties Act 1997	4
3 Amendment of Electricity Supply Act 1995	7



New South Wales

State Revenue Legislation Further Amendment Bill 2001

No. , 2001

A Bill for

An Act to make miscellaneous amendments to certain State revenue legislation in connection with the State Budget for 2001–02; and for other purposes.

The Legislature of New South Wales enacts:	1
1 Name of Act	2
This Act is the <i>State Revenue Legislation Further Amendment Act 2001</i> .	3 4
2 Commencement	5
This Act commences on 1 July 2001.	6
3 Amendment of Debits Tax Act 1990 No 112	7
The <i>Debits Tax Act 1990</i> is amended as set out in Schedule 1.	8
4 Amendment of Duties Act 1997 No 123	9
The <i>Duties Act 1997</i> is amended as set out in Schedule 2.	10
5 Amendment of Electricity Supply Act 1995 No 94	11
The <i>Electricity Supply Act 1995</i> is amended as set out in Schedule 3.	12

Schedule 1	Amendment of Debits Tax Act 1990	1
	(Section 3)	2
[1]	Section 3 Definitions	3
	Insert in section 3 (1) in alphabetical order:	4
	<i>proclaimed day</i> means the day appointed by the Governor by proclamation for the purposes of sections 8, 13, 15 and 44.	5 6
[2]	Section 8 Imposition of tax	7
	Insert “before the proclaimed day” after “made” in section 8 (1) (a).	8
[3]	Section 8 (1) (b)	9
	Insert “before the proclaimed day” after “made”.	10
[4]	Section 8 (1) (c)	11
	Insert “before the proclaimed day” after “made”.	12
[5]	Section 13 Certificates of exemption from tax	13
	Insert “, before the proclaimed day” after “where” in section 13 (4).	14
[6]	Section 15 Returns in respect of taxable debits	15
	Insert after section 15 (4):	16
	(5) A return under this section is not required to be furnished in respect of any period that commences on or after the proclaimed day.	17 18 19
[7]	Section 44 Return in relation to exempt accounts	20
	Insert after section 44 (2):	21
	(3) A return under this section is not required to be furnished in respect of any year that commences on or after the proclaimed day.	22 23 24

Schedule 2 Amendment of Duties Act 1997	1
(Section 4)	2
[1] Section 60 Instruments relating to superannuation	3
Insert “if they were first executed before 1 July 2001” after “\$20” in section 60 (1).	4 5
[2] Section 65 Exemptions from duty	6
Insert after section 65 (9):	7
(10) Instruments relating to superannuation	8
No duty is chargeable under this Chapter on:	9
(a) an instrument referred to in section 60 (1) (a), (b) or (c) that is first executed on or after 1 July 2001, or	10 11
(b) a dutiable transaction effected or evidenced by such an instrument.	12 13
[3] Section 163 Imposition of duty	14
Omit “, agreements for rights to use land and franchise arrangements” from the notes to section 163.	15 16
Insert instead “and agreements for rights to use land”.	17
[4] Section 164 What is a “lease”?	18
Insert “and that is first executed before 1 July 2001” after “New South Wales” in paragraph (c) of the definition of <i>Lease</i> .	19 20
[5] Section 164	21
Omit “\$3,000—see Part 4” from the notes to section 164.	22
Insert instead “the amount specified in section 179 (1)”.	23

[6] Section 179 Exemptions	1
Omit section 179 (1) (a) and (b). Insert instead:	2
(a) a lease for a term of less than one year whose total cost is not more than:	3
(i) \$3,000—if the date of first execution of the lease is before 1 July 2001, or	4
(ii) \$20,000—if the date of first execution of the lease is on or after 1 July 2001,	5
(b) a lease for a term of one year or more whose total cost is not more than:	6
(i) \$3,000 per year—if the date of first execution of the lease is before 1 July 2001, or	7
(ii) \$20,000 per year—if the date of first execution of the lease is on or after 1 July 2001,	8
[7] Section 186 Exclusions from the definition of “hire of goods”	9
Omit “that is chargeable with duty under Chapter 5 (Lease instruments)” from section 186 (1) (b).	10
[8] Section 188 What is the rate of duty?	11
Omit “of \$6,000 per month” from the note to section 188.	12
[9] Section 195 Commercial hire businesses must be registered	13
Omit “exceeds \$6,000.” from section 195 (1). Insert instead:	14
exceeds:	15
(a) \$6,000 for a month ending before 1 July 2001, or	16
(b) \$14,000 for a month ending after 1 July 2001.	17
[10] Section 195 (2)	18
Omit “\$6,000”.	19

[11] Section 199 Lodgment of returns and payment of duty	1
Omit section 199 (2) (but not the note to that subsection). Insert instead:	2
(2) A duty-free threshold of:	3
(a) \$6,000 per month for a month ending before 1 July 2001, or	4
(b) \$14,000 per month for a month ending after 1 July 2001,	6
applies in respect of hiring charges received from ordinary hires that are not special hiring arrangements (that is, duty is payable only on such part of the total amount of those charges as exceeds the duty-free threshold).	8
	9
	10
	11
[12] Section 199 (3)	12
Omit “\$6,000”. Insert instead “\$14,000”.	13

Schedule 3	Amendment of Electricity Supply Act 1995	1
	(Section 5)	2
[1]	Section 32B Electricity distributor's levy	3
	Insert after section 32B (3):	4
	(4) Despite the other provisions of this section, no levy is to be determined in respect of the year commencing on 1 July 2001, or any subsequent year, unless the Treasurer, by order published in the Gazette, approves the determination of a levy.	5 6 7 8
	(5) An approval of the Treasurer under subsection (4):	9
	(a) must be published in the Gazette before the beginning of a year to which it applies, and	10 11
	(b) may apply to one or more years as specified or described in the approval.	12 13
[2]	Section 43G Transmission operator's levy	14
	Insert after section 43G (3):	15
	(4) Despite the other provisions of this section, no levy is to be determined in respect of the year commencing on 1 July 2001, or any subsequent year, unless the Treasurer, by order published in the Gazette, approves the determination of a levy.	16 17 18 19
	(5) An approval of the Treasurer under subsection (4):	20
	(a) must be published in the Gazette before the beginning of a year to which it applies, and	21 22
	(b) may apply to one or more years as specified or described in the approval.	23 24