

1980-81

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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Presented and read a first time, 15 September 1981

(*Treasurer*)

**A BILL**

FOR

**An Act relating to the imposition of tax in respect of certain life insurance business having a connection with the Australian Capital Territory**

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

**Short title**

5     **1.** This Act may be cited as the *Australian Capital Territory Tax (Life Insurance Business) Act 1981*.

**Commencement**

**2.** This Act shall come into operation on such date as is fixed by Proclamation.

**Incorporation**

10     **3.** The *Australian Capital Territory Taxation (Administration) Act 1969* is incorporated and shall be read as one with this Act.

### **Imposition of taxation**

4. Tax is imposed in respect of all life insurance effected in the Territory after the commencement of this Act, being life insurance in respect of which premiums are received in the Territory by the insurer after that commencement.

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### **Rate of tax**

5. The rate of tax is—

(a) in the case of life insurance of the kind known as temporary insurance or term insurance—

(i) where the term of the insurance exceeds 1 year—5% of the premiums in respect of the first year of that term; or

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(ii) where the term of the insurance does not exceed 1 year—5% of the premiums in respect of that term; or

(b) in any other case—

(i) where the sum insured exceeds \$100 but does not exceed \$2,000—10 cents for each \$200, or part of \$200, of the sum insured; or

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(ii) where the sum insured exceeds \$2,000—\$1, and, in addition, 20 cents for each \$200, or part of \$200, of the amount by which the sum insured exceeds \$2,000.

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### **Exemptions and reductions of tax**

6. (1) Tax is not imposed on life insurance—

(a) which relates solely to the life of a person domiciled outside the Territory at the time the insurance is effected; and

(b) in respect of which stamp duty or tax similar to stamp duty has been paid under a law of a State or Territory or the Commissioner of Taxation is satisfied that such a duty or tax will be paid.

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(2) Tax is not imposed on life insurance effected by, or relating to the life of, a person who is—

(a) a member of a diplomatic mission in Australia of the government of another country that does not impose tax in respect of life insurance or on premiums received in respect of life insurance or grants in relation to Australia an exemption from any such tax corresponding to this exemption; or

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(b) a member of his family forming part of his household, being a person who is not an Australian citizen and is not ordinarily resident in Australia.

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(3) Where a policy of life insurance relates partly to the life of a person the insurance in relation to which is exempt from tax by virtue of sub-section (1) and partly to the life of any other person, the tax imposed in connection with that policy shall be reduced by such amount as, in the opinion of the

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Commissioner of Taxation, is attributable to the insurance relating to the first-mentioned life.

(4) In this section, a reference to the life of a person includes a reference to the lives of 2 or more persons.

