

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Presented and read a first time, 17 October 1985

(Minister Assisting the Treasurer)

A BILL

FOR

An Act to amend the *Bank Account Debits Tax Act 1982*, and for related purposes

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

Short title, &c.

5 1. (1) This Act may be cited as the *Bank Account Debits Tax Amendment Act 1985*.

(2) The *Bank Account Debits Tax Act 1982*¹ is in this Act referred to as the Principal Act.

2. Sections 4 and 5 of the Principal Act are repealed and the following sections are substituted:

10 Imposition of tax

“4. (1) Tax is imposed in respect of—

(a) each taxable debit of not less than \$1 made to a taxable account;

(b) each eligible debit of not less than \$1 made to an exempt account;

- (c) each eligible debit of not less than \$1 made to an account kept outside the Territory or outside Australia where—
- (i) at the time when the debit is made, the person in whose name, or either or any of the persons in whose names, the account is kept is a resident of the Territory; and 5
 - (ii) it would be concluded that that account was used in connection with the transaction that resulted in the debit for the purpose, or for purposes that included the purpose, of enabling—
 - (A) the person in whose name, or either or any of the persons in whose names, the account is kept; or 10
 - (B) any other person,
 - to avoid liability for payment of the tax that would have been imposed if the debit that resulted from that transaction had been made to an account kept in the Territory; and 15
- (d) each eligible debit of not less than \$1 made to an account kept outside Australia where—
- (i) at the time when the debit is made, the person in whose name, or either or any of the persons in whose names, the account is kept is a resident of Australia; and 20
 - (ii) it would be concluded that that account was used in connection with the transaction that resulted in the debit for the purpose, or for purposes that included the purpose, of enabling—
 - (A) the person in whose name, or either or any of the persons in whose names, the account is kept; or 25
 - (B) any other person,
 - to avoid liability for payment of the tax that would have been imposed if the debit that resulted from that transaction had been made to an account kept in Australia but outside the Territory. 30

“(2) For the purposes of sub-sections 8 (1) and (2) of the *Bank Account Debits Tax Administration Act 1982*, a debit to which paragraph (1) (c) of this section applies shall be deemed to be a debit made to an account other than a taxable account. 35

“(3) In this section, ‘Territory’ means the Australian Capital Territory and includes the Jervis Bay Territory.

“(4) For the purposes of this section, a person shall be taken to have been a resident of the Territory at a particular time if—

- (a) in a case of a person other than a company—that person was ordinarily resident in, or carried on a business or other activity in, the Territory at that time; or 40
- (b) in the case of a company—the company carried on a business or other activity in the Territory at that time.

Amount of tax

“5. (1) The amount of tax in respect of a taxable debit or eligible debit is—

5 (a) where paragraph (b) does not apply—the amount set out in column 2 of the Schedule opposite to the reference in column 1 of the Schedule to the range of amounts within which the amount of the debit is included; and

(b) where—

(i) the debit is made to an account kept in the Territory; or

10 (ii) paragraph 4 (1) (c) applies (whether or not any other paragraph of sub-section 4 (1) applies),

the amount set out in column 3 of the Schedule opposite to the reference in column 1 of the Schedule to the range of amounts within which the amount of the debit is included.

15 “(2) In this section, ‘Territory’ means the Australian Capital Territory and includes the Jervis Bay Territory.

Accounts linked to building societies and credit unions registered in the Australian Capital Territory

“6. (1) For the purposes of this Act, where—

20 (a) an account with a bank (in this sub-section referred to as a ‘cheque account’) would, but for this sub-section, be an account kept in Australia but outside the Territory; and

25 (b) the cheque account is in the name of a person holding, or proposing to hold, an account with a Territory building society or Territory credit union and was opened, in accordance with arrangements between the bank and the Territory building society or Territory credit union for the provision of cheque accounts in the names of such persons, on the basis that—

30 (i) the person would authorise the Territory building society or the Territory credit union, for the purpose of making payments to the bank to enable the bank to honour cheques drawn from time to time on the cheque account, to debit amounts to an account held by the person with the Territory building society or Territory credit union; or

35 (ii) the Territory building society or Territory credit union would, at the request of the person, transfer amounts to the cheque account from an account held by the person with the Territory building society or Territory credit union,

the cheque account shall be deemed to be kept in the Territory.

40 “(2) A reference in this section to an account held with a Territory building society or a Territory credit union includes a reference to an account held by way of withdrawable share capital in, or money deposited with, the building society or credit union.

“(3) In this section—

‘Co-operative Societies Ordinance’ means the *Co-operative Societies Ordinance 1939* of the Territory;

‘Territory’ means the Australian Capital Territory and includes the Jervis Bay Territory;

‘Territory building society’ means a building society registered under the Co-operative Societies Ordinance;

‘Territory credit union’ means a credit society registered under the Co-operative Societies Ordinance.”.

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3. The Schedule to the Principal Act is repealed and the following Schedule is substituted:

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“SCHEDULE

Section 5

Column 1	Column 2	Column 3
Range of amounts of debits	Amount of tax	Amount of tax
Not less than \$1 but less than \$100	10 cents	20 cents
Not less than \$100 but less than \$500	25 cents	50 cents
Not less than \$500 but less than \$5,000.	50 cents	\$1
Not less than \$5,000 but less than \$10,000	\$1	\$2
\$10,000 or more	\$1.50	\$3”.

Application of amendments

4. The amendments made by this Act apply to debits made on or after the first day of the second month next following the month in which this Act receives the Royal Assent.

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NOTE

1. No. 141, 1982, as amended. For previous amendments, see No. 110, 1983; and No. 103, 1984.