

1985-86-87

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 6 May 1987

(*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 etc.

5 **1.** (1) This Act may be cited as the *Bank Account Debits Tax Amendment Act 1987*.

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

Commencement

10 **2.** (1) Section 1 and this section shall come into operation on the day on which this Act receives the Royal Assent.

(2) Sections 3, 4, 5 and 6 and subsection 9 (1) shall come into operation on the commencement of Part VIII of the *Cheques and Payment Orders Act 1986*.

(3) The remaining provisions of this Act shall come into operation on a day to be fixed by Proclamation.

Title

3. The title of the Principal Act is amended by omitting "banks" and substituting "financial institutions".

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Short title

4. Section 1 of the Principal Act is amended by omitting "*Bank Account*".

Incorporation

5. Section 3 of the Principal Act is amended by omitting "*Bank Account*".

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6. After section 3 of the Principal Act the following section is inserted:

Accounts kept outside Australia

"3A. A reference in this Act to a debit made to an account kept outside Australia includes a reference to a debit made to an account (in this section called a 'non-bank account') kept outside Australia with a building society, credit union or similar body (including an account kept by way of withdrawable share capital in, or money deposited with, the body) where:

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- (a) another account is kept with a bank in the name of the body; and
- (b) the non-bank account has characteristics such that a cheque may be drawn on the bank by the body and, at a time when it is incomplete, be delivered by the body to a customer under an agreement under which:
 - (i) the customer is authorised to fill up the cheque; and
 - (ii) the body is authorised, for the purpose of making a payment to the bank to enable the bank to honour the cheque, to debit the non-bank account."

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7. Sections 4, 5 and 6 of the Principal Act are repealed and the following sections are substituted:

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Imposition of tax

"4. 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; and
- (c) 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

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(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
- (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.

Amount of tax

“5. The amount of tax in respect of a taxable debit or eligible debit is 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 that debit is included.”.

Schedule

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

“SCHEDULE		Section 5
Column 1	Column 2	
Range of amounts of taxable debits or eligible debits	Amount of tax	
Not less than \$1 but less than \$100	15 cents	
Not less than \$100 but less than \$500	35 cents	
Not less than \$500 but less than \$5,000	75 cents	
Not less than \$5,000 but less than \$10,000	\$1.50	
\$10,000 or more	\$2.00”.	

Application of amendments

9. (1) The amendment made by section 6 applies to debits made on or after the date of commencement of this subsection.

(2) The amendments made by sections 7 and 8 apply to debits made on or after the date of commencement of this subsection.

NOTE

1. No. 141, 1982, as amended. For previous amendments, see No. 110, 1983; No. 103, 1984; No. 171, 1985; and No. 113, 1986.

