

1983

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 9 November 1983

(*Treasurer*)

A BILL

FOR

An Act to amend the law relating to the taxation of bank account debits

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

PART I—PRELIMINARY

Short title

- 5 **1.** This Act may be cited as the *Bank Account Debits Tax Legislation Amendment Act 1983*.

Commencement

- 2.** This Act shall be deemed to have come into operation on 31 December 1982.

10 **PART II—AMENDMENTS OF THE BANK ACCOUNT DEBITS
TAX ADMINISTRATION ACT 1982**

Principal Act

- 3.** The *Bank Account Debits Tax Administration Act 1982*¹ is in this Part referred to as the Principal Act.

Interpretation

4. Section 3 of the Principal Act is amended—

- (a) by omitting “in accordance with section 10” from paragraph (c) of the definition of “excluded debit” in sub-section (1) and substituting “by the bank with which the account is kept”; and 5
- (b) by omitting “in accordance with sub-section 10 (3)” from paragraph (b) of the definition of “exempt debit” in sub-section (1) and substituting “for the purpose of recovering from the account holder an amount equal to an amount of tax that the bank has paid or is liable to pay”. 10

Liability to tax

5. Section 8 of the Principal Act is amended by omitting from sub-section (1) “the bank with which the account is kept is liable” and substituting “the bank with which the account is kept and the account holder or, if there are 2 or more account holders, those account holders are jointly and severally liable”. 15

When tax payable

6. Section 9 of the Principal Act is amended by omitting paragraph (a) and substituting the following paragraph:

- “(a) where tax in respect of a taxable debit made during a month (whether or not that tax is the subject of an assessment) is payable under sub-section 8 (1), that tax shall be paid not later than 14 days after the end of that month; and” 20

Recovery of tax by banks

7. Section 10 of the Principal Act is amended—

- (a) by omitting from sub-section (1) “, or is liable to pay,”; and 25
- (b) by adding at the end thereof the following sub-section:

“(4) Where a bank would, but for this section, have power to enter into an agreement or arrangement with the account holder or account holders of a taxable account kept with the bank under which the bank would be entitled to recover from the account holder or account holders, whether by debiting the account or otherwise, amounts equal to amounts of tax that the bank is or becomes liable to pay in respect of taxable debits that have been or are made to that account, nothing in this section prevents the bank from entering into such an agreement or arrangement.”. 30 35

Returns in respect of taxable debits

8. Section 12 of the Principal Act is amended by omitting from sub-section (4) “under this Act” (wherever occurring) and substituting “by virtue of sub-section 8 (2)”. 40

Refund of amounts incorrectly paid

9. Section 13 of the Principal Act is amended by omitting paragraph (2) (a) and substituting the following paragraph:

- “(a) if the amount has been recovered by the bank from an account holder—by that account holder; or”.

Refunds for tax paid on excluded debts

10. Section 14 of the Principal Act is amended by omitting paragraph (2) (a) and substituting the following paragraph:

5 “(a) if the tax has been recovered by the bank that paid the tax from an account holder—by that account holder; or”.

Special assessments

11. Section 15 of the Principal Act is amended by omitting from sub-section (3) “by the bank”.

Default assessments

10 12. Section 16 of the Principal Act is amended—

(a) by omitting from sub-section (1) “by the bank”;

(b) by omitting from sub-section (2) “under this Act” and substituting “by virtue of sub-section 8 (2)”;

15 (c) by inserting “or account holders” in sub-section (2) after “account holder”; and

(d) by omitting from sub-section (3) “on the person or persons liable to pay the tax” and substituting—

“on—

(a) in a case to which sub-section (1) applies the bank; or

20 (b) in a case to which sub-section (2) applies the account holder.”.

Additional tax on default assessments

13. Section 17 of the Principal Act is amended by omitting paragraphs (2) (a) and (b) and substituting the following paragraphs:

25 “(a) additional tax is payable under this section by reason of an act of omission referred to in sub-section 16 (1); and

(b) a prosecution is instituted in respect of an offence against section 12 or sub-section 38 (2) in relation to that act or omission.”.

Amendment of assessments

30 14. Section 18 of the Principal Act is amended—

(a) by omitting from paragraph (3) (a) “in accordance with section 10”;

(b) by omitting from paragraph (3) (b) “in accordance with that section”; and

35 (c) by omitting from sub-section (5) “liable to pay the tax” and substituting “in respect of whom the amended assessment is made”.

PART III—AMENDMENT OF THE BANK ACCOUNT DEBITS TAX ACT 1982

Principal Act

40 15. The *Bank Account Debits Tax Act 1982*² is in this Part referred to as the Principal Act.

Imposition of tax

16. Section 4 of the Principal Act is amended by omitting from sub-paragraph (c) (ii) “or to avoid liability for payment of an amount under section 10 of the *Bank Account Debits Tax Administration Act 1982* in respect of that tax”.

NOTES

1. No. 142, 1982.
2. No. 141, 1982.