

1980-81

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE SENATE

(Presented pursuant to leave granted and read 1^o, 19 August 1981)

(SENATOR HAINES)

No 159

A BILL

FOR

An Act to amend the *Income Tax Assessment Act 1936* to grant exemption from income tax of certain income from savings deposits

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

Short title, &c.

1. (1) This Act may be cited as the *Income Tax Assessment Amendment Act (No. 2) 1981*

(2) The *Income Tax Assessment Act 1936* is in this Act referred to as the Principal Act.

Commencement

2. This Act shall be deemed to have come into operation on 1 July 1981.

Purpose

3. It is the purpose of this Act to encourage savings, and the consequent availability of funds for housing, by granting relief from income tax in respect of the first \$1,000 of income from interest paid for savings accounts.

Exemptions

4. Section 23 of the Principal Act is amended by inserting after paragraph (i) the following paragraph:

“(ia) interest paid by

- (i) a savings bank,
- (ii) a building society, being a building society within the meaning of the *Financial Corporations Act 1974*, or
- (iii) an institution providing savings facilities, being an institution prescribed by the regulations as an institution to which this paragraph applies,

to a depositor who is a resident in respect of a savings account bearing interest at a rate of 10% or less, providing that where income that consists of such interest amounts in total to more than \$1,000, only \$1,000 of such income shall be exempt;”.