

1987-88-89

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE SENATE

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*(Presented and read a first time, 1 March 1989)*

(SENATOR HAINES)

A B I L L

FOR

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

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 Income Tax Assessment (Savings Accounts Interest) Amendment Act 1989.

(2) In this Act, "Principal Act" means the Income Tax Assessment Act 1936.

Commencement

10    2. This Act commences on the day on which it receives the Royal Assent.

2            **Income Tax Assessment (Savings Accounts Interest)**  
**Amendment No. ,1989**

**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 \$2,000 of income from interest paid for savings accounts. 5

**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; 10
- (ii) a body that is a building society within the meaning of Subdivision AA of Division 17 of Part III; or
- (iii) another institution providing savings facilities, being an institution approved by 15 the regulations for the purpose of this paragraph;

to a depositor who is a resident in respect of a savings account bearing interest at a rate of 12% or less, providing that where income that consists of such interest amounts in total to 20 more than \$2,000, only \$2,000 of such income shall be exempt;".