

1987-88

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 23 August 1988

(Minister Assisting the Treasurer)

A BILL

FOR

An Act to amend the law relating to sales tax

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

Short title etc.

1. (1) This Act may be cited as the *Sales Tax Assessment (No. 1) Amendment Act 1988*.

(2) In this Act, "Principal Act" means the *Sales Tax Assessment Act (No. 1) 1930*.

Commencement

2. This Act shall be taken to have commenced at 8 o'clock in the evening, by standard time in the Australian Capital Territory, on 23 August 1988.

Amendments relating to sale value of goods

3. The Principal Act is amended as set out in the Schedule.

Application of amendments

4. The amendments made by this Act apply in relation to transactions, acts and operations effected or done in relation to goods after the commencement of this section.

SCHEDULE

Section 3

AMENDMENTS RELATING TO THE SALE VALUE OF GOODS

Paragraph 18 (1) (b):

Omit the paragraph, substitute the following paragraph:

“(b) if the goods were sold by retail—the amount for which the goods could reasonably be expected to have been sold by the manufacturer by wholesale.”.

Subparagraph 18 (1A) (a) (ii):

Omit the subparagraph, substitute the following subparagraph:

“(ii) were sold by the manufacturer to the purchaser for an amount that is less than the amount for which the goods could reasonably be expected to have been sold by the manufacturer by wholesale if all the materials used in the manufacture of the goods had been purchased by the manufacturer in the ordinary course of his business from a person with whom he was dealing at arm’s length; or”.

Paragraph 18 (1B) (a):

Omit the paragraph, substitute the following paragraph:

“(a) where all the relevant materials used in the manufacture of the goods consisted of goods the sale values of which were exempt from sales tax by virtue of the *Sales Tax (Exemptions and Classifications) Act 1935*—the amount for which the goods could reasonably be expected to have been sold by the manufacturer by wholesale if all the materials used in the manufacture of the goods had been purchased by the manufacturer in the ordinary course of his business from a person with whom he was dealing at arm’s length;”.

Subsection 18 (1C):

Omit from “the sale value of the goods” to the end of the subsection, substitute “the sale value of the goods, for the purposes of this Act, is the amount for which the goods could reasonably be expected to have been sold by the manufacturer by wholesale if all the materials used in the manufacture of the goods had been purchased by the manufacturer in the ordinary course of his business from a person with whom he was dealing at arm’s length.”.

Subsection 18 (2):

Omit from “retail shall be—” to the end of paragraph (b), substitute “retail shall be the amount for which those goods could reasonably be expected to be sold by the manufacturer by wholesale:”.

SCHEDULE—continued**Subsection 18 (3):**

Omit from “shall be—” to the end of paragraph (b), substitute “shall be the amount for which those goods could reasonably be expected to be sold by the manufacturer by wholesale.”.

Subsection 18A (4):

Omit the subsection, substitute the following subsection:

“(4) Subject to subsections (5) and (6), for the purposes of this Act, the sale value of goods the sale value of which is required to be determined in accordance with this section is the amount for which the goods could reasonably be expected to have been sold by the manufacturer by wholesale if no agreement of a kind referred to in paragraph (1) (b) had been entered into in relation to the sale of the goods.”.

Paragraph 18B (1) (e):

Omit the paragraph, substitute the following paragraph:

“(e) where subparagraph (a) (ii) applies—the sum of:

- (i) the amount that would be the sale value of the goods for the purposes of this Act under whichever provision of section 18 the sale value of the goods would be determined if this section had not been enacted; and
- (ii) an amount equal to the valuable consideration that could reasonably be expected to be given in connection with, or as consideration for, the supply of, or the right to use, the embodied material in the goods if the goods were sold by the manufacturer by wholesale.”.

NOTE

1. No. 25, 1930, as amended. For previous amendments, see No. 62, 1930; No. 25, 1931; Nos. 39 and 64, 1932; Nos. 17 and 47, 1933; Nos. 16 and 29, 1934; Nos. 8, 45 and 61, 1935; No. 78, 1936; Nos. 30 and 64, 1940; No. 54, 1942; No. 1, 1953; No. 40, 1962; No. 93, 1966; No. 216, 1973; No. 197, 1978 (as amended by No. 47, 1985); No. 19, 1979; No. 134, 1980; Nos. 51 and 122, 1982; No. 39, 1983; No. 123, 1984 (as amended by No. 47, 1985); Nos. 47, 123 and 144, 1985; Nos. 41, 48, 99 and 112, 1986; Nos. 23, 42, 140 and 145, 1987; and No. 6, 1988.