

1993

THE PARLIAMENT OF THE COMMONWEALTH OF
AUSTRALIA

HOUSE OF REPRESENTATIVES

TAXATION LAWS AMENDMENT BILL (NO.2) 1993

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Circulated by the authority of the Treasurer the Hon John
Dawkins, M.P.)



General Outline and Financial Impact

These proposed amendments will amend the Taxation Laws Amendment Bill (No.2) 1993 to insert the correct date from which the General Investment Allowance is available. That is, the allowance is to be available in respect of eligible property acquired or commenced to be constructed after 8 February 1993 rather than after 9 February 1993. This amendment resolves an ambiguity in public statements about the allowance in favour of the taxpayer. It reflects the Government's original decision.

Because these amendments give effect to the Government's original decision, they have no impact on the estimated cost of the measure.

Summary of proposed amendments

The amendments will correct the correct date from which the general investment allowance is to operate. The principal amendment is to specify that the allowance is available for eligible property acquired by a taxpayer under a contract entered into after 8 February 1993 or, if constructed by the taxpayer, where construction commenced on or after that date. This reflects the Government's original decision, and resolves any ambiguity in public comment on the allowance in favour of the taxpayer. The Bill presently specifies the relevant date as 9 February 1993.

As a result of that change, a number of other consequential references to dates also need to be changed.

Explanation of the proposed amendments

Entitlement to the general investment allowance is to be mainly worked out under the existing development allowance provisions. The principal change is to insert a new main deduction provision [*new section 82AT*]. This section specifies that the general investment allowance is available for eligible property acquired under a contract entered into after 9 February 1993 or, if constructed by a taxpayer, where construction commenced after that date. That date is to be changed to 8 February 1993 [*Clauses 1, 2 & 3*].

Reflecting that change, references to 9 February 1993 and to 10 February 1993 in a number of provisions are to be replaced by 8 February 1993 and 9 February 1993 respectively [*Clauses 4 & 5*].

