

1985

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WOOL TAX (NOS 1-5) AMENDMENT BILLS 1985

EXPLANATORY MEMORANDA

(Circulated by authority of the Minister for
Primary Industry, the Hon John Kerin MP)

OUTLINE

These Bills will amend the Wool Tax Acts (Nos 1-5) 1964 to remove from those Acts provision for apportionment of wool tax receipts between wool market support, wool research and the general purposes of the Australian Wool Corporation, ie wool promotion and market administration.

These amendments complement amendments to the Wool Industry Act 1972 which will bring the apportionment of wool tax receipts under that Act and will also allow greater flexibility in the apportionment of wool tax receipts.

The five Wool Tax Acts are essentially identical but each Act covers a different method of selling shorn wool. For example, Wool Tax Act (No. 1) covers shorn wool sold by a wool broker.

The Wool Tax Acts will continue to impose a tax of 8%, or such lower rate as is prescribed provided that lower rate exceeds 4%, on the sale value of all shorn wool produced in Australia and dealt with in a taxable manner.

The Bills involve no additional financial cost to the Government.

WOOL TAX (NO 1) AMENDMENT BILL 1985

NOTES ON CLAUSES

Clause 1: Short Title & Principal Act

1. The Bill provides for the Act to be cited as the Wool Tax (No 1) Amendment Act (1985)
2. Establishes that references to the Principal Act are references to the Wool Tax Act (No 1) 1964.

Clause 2: Commencement

3. The provisions of the Bill will come into effect on 1 July 1985. The same commencement date applies in respect of the Wool Industry Amendment Bill 1985, providing continuity in apportionment of wool tax receipts.

Clause 3: Repeal of Section 5 of Principal Act

4. Provides for the repeal of section 5 of the Wool Tax Act (No 1) 1964 and for the substitution of the new section 5. Existing sub-section 5(1) specifies the rate of tax on shorn wool sold by a wool broker as being the sum of the two percentages prescribed for the purposes of paragraphs 5(1)(a) and 5(1)(b) and 5%. Existing sub-section 5(2) limits to 3% the percentages that may be prescribed for the purposes of paragraph 5(1)(a) in respect of wool research and for the purposes of paragraph 5(1)(b) in respect of the general purposes of the Australian Wool Corporation (ie wool promotion and market administration).
5. Proposed new section 5 imposes a tax on shorn wool sold by a wool broker at the rate of 8% of the sale value of the wool, or at a lower rate if a lower rate is prescribed by regulations made by the Governor-General under section 6 of the Wool Tax Act (No 1) 1964. (see notes on Clause 4 below).

Clause 4: Regulations

6. Amends section 6 of the Wool Tax Act (No 1) 1964 by replacing existing sub-section 6(1) which provided for the Governor-General to make regulations under the Wool Tax Acts prescribing rates of tax for the purposes of paragraphs 5(1)(a) and 5(1)(b). New sub-section 6(1) empowers the Governor-General to make regulations, subject to sub-section 6(2) (see note below), prescribing a tax on shorn wool at a rate lower than 8% (see note 5 on Clause 3 above).
7. New sub-section 6(2) provides that any rate of tax on shorn wool prescribed by the Governor-General under sub-section 6(1) to be a rate lower than 8% of the sale value of wool, shall be greater than 4% of the sale value of wool, and shall be an identical rate in each of the Wool Tax Acts (Nos 1-5) 1964.

WOOL TAX (NO 2) AMENDMENT BILL 1985

NOTES ON CLAUSES

Clause 1: Short Title & Principal Act

1. The Bill provides for the Act to be cited as the Wool Tax (No 2) Amendment Act (1985)
2. Establishes that references to the Principal Act are references to the Wool Tax Act (No 2) 1964.

Clause 2: Commencement

3. The provisions of the Bill will come into effect on 1 July 1985. The same commencement date applies in respect of the Wool Industry Amendment Bill 1985, providing continuity in apportionment of wool tax receipts.

Clause 3: Repeal of Section 5 of Principal Act

4. Provides for the repeal of section 5 of the Wool Tax Act (No 2) 1964 and for the substitution of the new section 5. Existing sub-section 5(1) specifies the rate of tax on shorn wool purchased by a registered wool dealer from a person other than a wool broker as being the sum of the two percentages prescribed for the purposes of paragraphs 5(1)(a) and 5(1)(b) and 5%. Existing sub-section 5(2) limits to 3% the percentages that may be prescribed for the purposes of paragraph 5(1)(a) in respect of wool research and for the purposes of paragraph 5(1)(b) in respect of the general purposes of the Australian Wool Corporation (ie wool promotion and market administration).
5. Proposed new section 5 imposes a tax on shorn wool purchased by a registered wool dealer from a person other than a wool broker at the rate of 8% of the sale value of the wool, or at a lower rate if a lower rate is prescribed by regulations made by the Governor-General under section 6 of the Wool Tax Act (No 2) 1964. (see notes on Clause 4 below).

Clause 4: Regulations

6. Amends section 6 of the Wool Tax Act (No 2) 1964 by replacing existing sub-section 6(1) which provided for the Governor-General to make regulations under the Wool Tax Acts prescribing rates of tax for the purposes of paragraphs 5(1)(a) and 5(1)(b). New sub-section 6(1) empowers the Governor-General to make regulations, subject to sub-section 6(2) (see note below), prescribing a tax on shorn wool at a rate lower than 8% (see note 5 on Clause 3 above).
7. New sub-section 6(2) provides that any rate of tax on shorn wool prescribed by the Governor-General under sub-section 6(1) to be a rate lower than 8% of the sale value of wool, shall be greater than 4% of the sale value of wool, and shall be an identical rate in each of the Wool Tax Acts (Nos 1-5) 1964.

WOOL TAX (NO 3) AMENDMENT BILL 1985

NOTES ON CLAUSES

Clause 1: Short Title & Principal Act

1. The Bill provides for the Act to be cited as the Wool Tax (No 3) Amendment Act (1985)
2. Establishes that references to the Principal Act are references to the Wool Tax Act (No 3) 1964.

Clause 2: Commencement

3. The provisions of the Bill will come into effect on 1 July 1985. The same commencement date applies in respect of the Wool Industry Amendment Bill 1985, providing continuity in apportionment of wool tax receipts.

Clause 3: Repeal of Section 5 of Principal Act

4. Provides for the repeal of section 5 of the Wool Tax Act (No 3) 1964 and for the substitution of the new section 5. Existing sub-section 5(1) specifies the rate of tax on shorn wool purchased by a manufacturer from a person other than a wool broker or a registered wool dealer as being the sum of the two percentages prescribed for the purposes of paragraphs 5(1)(a) and 5(1)(b) and 5%. Existing sub-section 5(2) limits to 3% the percentages that may be prescribed for the purposes of paragraph 5(1)(a) in respect of wool research and for the purposes of paragraph 5(1)(b) in respect of the general purposes of the Australian Wool Corporation (ie wool promotion and market administration).
5. Proposed new section 5 imposes a tax on shorn wool purchased by a manufacturer from a person other than a wool broker or a registered wool dealer at the rate of 8% of the sale value of the wool, or at a lower rate if a lower rate is prescribed by regulations made by the Governor-General under section 6 of the Wool Tax Act (No 3) 1964. (see notes on Clause 4 below).

Clause 4: Regulations

6. Amends section 6 of the Wool Tax Act (No 3) 1964 by replacing existing sub-section 6(1) which provided for the Governor-General to make regulations under the Wool Tax Acts prescribing rates of tax for the purposes of paragraphs 5(1)(a) and 5(1)(b). New sub-section 6(1) empowers the Governor-General to make regulations, subject to sub-section 6(2) (see note below), prescribing a tax on shorn wool at a rate lower than 8% (see note 5 on Clause 3 above).
7. New sub-section 6(2) provides that any rate of tax on shorn wool prescribed by the Governor-General under sub-section 6(1) to be a rate lower than 8% of the sale value of wool, shall be greater than 4% of the sale value of wool, and shall be an identical rate in each of the Wool Tax Acts (Nos 1-5) 1964.

WOOL TAX (NO 4) AMENDMENT BILL 1985

NOTES ON CLAUSES

Clause 1: Short Title & Principal Act

1. The Bill provides for the Act to be cited as the Wool Tax (No 4) Amendment Act (1985)
2. Establishes that references to the Principal Act are references to the Wool Tax Act (No 4) 1964.

Clause 2: Commencement

3. The provisions of the Bill will come into effect on 1 July 1985. The same commencement date applies in respect of the Wool Industry Amendment Bill 1985, providing continuity in apportionment of wool tax receipts.

Clause 3: Repeal of Section 5 of Principal Act

4. Provides for the repeal of section 5 of the Wool Tax Act (No 4) 1964 and for the substitution of the new section 5. Existing sub-section 5(1) specifies the rate of tax on shorn wool subjected by a manufacturer to a process of manufacture as being the sum of the two percentages prescribed for the purposes of paragraphs 5(1)(a) and 5(1)(b) and 5%. Existing sub-section 5(2) limits to 3% the percentages that may be prescribed for the purposes of paragraph 5(1)(a) in respect of wool research and for the purposes of paragraph 5(1)(b) in respect of the general purposes of the Australian Wool Corporation (ie wool promotion and market administration).
5. Proposed new section 5 imposes a tax on shorn wool subjected by a manufacturer to a process of manufacture at the rate of 8% of the sale value of the wool, or at a lower rate if a lower rate is prescribed by regulations made by the Governor-General under section 6 of the Wool Tax Act (No 4) 1964. (see notes on Clause 4 below).

Clause 4: Regulations

6. Amends section 6 of the Wool Tax Act (No 4) 1964 by replacing existing sub-section 6(1) which provided for the Governor-General to make regulations under the Wool Tax Acts prescribing rates of tax for the purposes of paragraphs 5(1)(a) and 5(1)(b). New sub-section 6(1) empowers the Governor-General to make regulations, subject to sub-section 6(2) (see note below), prescribing a tax on shorn wool at a rate lower than 8% (see note 5 on Clause 3 above).
7. New sub-section 6(2) provides that any rate of tax on shorn wool prescribed by the Governor-General under sub-section 6(1) to be a rate lower than 8% of the sale value of wool, shall be greater than 4% of the sale value of wool, and shall be an identical rate in each of the Wool Tax Acts (Nos 1-5) 1964.

WOOL TAX (NO 5) AMENDMENT BILL 1985

NOTES ON CLAUSES

Clause 1: Short Title & Principal Act

1. The Bill provides for the Act to be cited as the Wool Tax (No 5) Amendment Act (1985)
2. Establishes that references to the Principal Act are references to the Wool Tax Act (No 5) 1964.

Clause 2: Commencement

3. The provisions of the Bill will come into effect on 1 July 1985. The same commencement date applies in respect of the Wool Industry Amendment Bill 1985, providing continuity in apportionment of wool tax receipts.

Clause 3: Repeal of Section 5 of Principal Act

4. Provides for the repeal of section 5 of the Wool Tax Act (No 5) 1964 and for the substitution of the new section 5. Existing sub-section 5(1) specifies the rate of tax on shorn wool exported from Australia as being the sum of the two percentages prescribed for the purposes of paragraphs 5(1)(a) and 5(1)(b) and 5%. Existing sub-section 5(2) limits to 3% the percentages that may be prescribed for the purposes of paragraph 5(1)(a) in respect of wool research and for the purposes of paragraph 5(1)(b) in respect of the general purposes of the Australian Wool Corporation (ie wool promotion and market administration).
5. Proposed new section 5 imposes a tax on shorn wool exported from Australia at the rate of 8% of the sale value of the wool, or at a lower rate if a lower rate is prescribed by regulations made by the Governor-General under section 6 of the Wool Tax Act (No 5) 1964. (see notes on Clause 4 below).

Clause 4: Regulations

6. Amends section 6 of the Wool Tax Act (No 5) 1964 by replacing existing sub-section 6(1) which provided for the Governor-General to make regulations under the Wool Tax Acts prescribing rates of tax for the purposes of paragraphs 5(1)(a) and 5(1)(b). New sub-section 6(1) empowers the Governor-General to make regulations, subject to sub-section 6(2) (see note below), prescribing a tax on shorn wool at a rate lower than 8% (see note 5 on Clause 3 above).
7. New sub-section 6(2) provides that any rate of tax on shorn wool prescribed by the Governor-General under sub-section 6(1) to be a rate lower than 8% of the sale value of wool, shall be greater than 4% of the sale value of wool, and shall be an identical rate in each of the Wool Tax Acts (Nos 1-5) 1964.