

HOUSE OF REPRESENTATIVES

Supplementary Order Paper

FRIDAY, 15 MARCH 1985

INCOME TAX AMENDMENT BILL (NO. 2)

Proposed Amendments

Hon. R. O. DOUGLAS, in Committee, to move the following amendments:

Clause 7: To insert after line 39 on page 8 the following definition:

"'Day of determination of final liability', in relation to any amount of deferrable tax, means -

"(a) Where the Commissioner receives from the taxpayer a notice in writing of the withdrawal by the taxpayer of the objection to the assessment in relation to which there is that amount of deferrable tax, the day on which the Commissioner receives that notice:

"(b) Where that objection is determined by a Taxation Review Authority and not by any Court, the day on which the Taxation Review Authority determines the objection:

"(c) Where the objection is determined as a result of proceedings taken in any Court, whether or not by way of appeal, the day on which the objection is finally determined, whether in those proceedings or, as the case may be, on any appeal."

To omit from line 43 on page 9 the words ", under section 398 of this Act,".

Clause 40: To omit the definition of the expression "day of determination of final liability" in lines 8 to 23 on page 83, and substitute the following definition:

"'Day of determination of final liability' has the same meaning as in section 34 of this Act:

To omit paragraph (b) of the definition of the expression "period of deferral", in lines 34 and 35 on page 83, and substitute the following paragraph:

"(b) The day on which there expires the period of 1 month immediately following the due date for payment of that deferrable tax, -

To add to the definition of the expression "period of deferral", after line 38 on page 83, the following proviso:

"Provided that, for the purposes of this definition, where, at any time before the said day of determination of final liability, there has been refunded by the Commissioner the whole or any part of the said amount of deferrable tax (payment of that whole or that part having been received by the Commissioner before the expiry of the period of one month immediately following the due date for payment of the tax in relation to the assessment of which there is the said amount of deferrable tax), the due date for payment of the said tax shall, to the extent that that tax is deferrable tax so refunded, be deemed to be the day that immediately precedes by one month the date of the making of the said refund.

## EXPLANATORY NOTE

Clause 7: These amendments and the first amendment to clause 40 in effect transfer the full definition of the expression "day of determination of final liability" from section 398 to section 34 of the principal Act.

Clause 40: The second amendment provides that the commencement of the period of deferral in relation to deferrable tax is the later of -

- (a) The day on which the notice of assessment of tax is given to the taxpayer; or
- (b) The day one month after the due date for payment (and not the due date as at present in the clause).

The third amendment provides that where a taxpayer pays the whole or any part of deferrable tax on time and at any time before the day of determination of final liability that tax is refunded, the due date for payment of the said deferrable tax so refunded is to be one month before the date of the refund. The commencement of the period of deferral is therefore related to the later date of the refund and not to the day that is one month after the original due date of the tax.