

2010-2011

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Tax Laws Amendment (Temporary
Flood Reconstruction Levy) Bill 2011**

No. , 2011

(Treasury)

**A Bill for an Act to amend the law relating to
taxation, and for related purposes**

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1 **A Bill for an Act to amend the law relating to**
2 **taxation, and for related purposes**

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Tax Laws Amendment (Temporary*
6 *Flood Reconstruction Levy) Act 2011.*

7 **2 Commencement**

8 (1) Each provision of this Act specified in column 1 of the table
9 commences, or is taken to have commenced, in accordance with
10 column 2 of the table. Any other statement in column 2 has effect
11 according to its terms.
12

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedule 1	The later of: (a) the day this Act receives the Royal Assent; and (b) the day the <i>Income Tax Rates Amendment (Temporary Flood Reconstruction Levy) Act 2011</i> receives the Royal Assent. However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	
3. Schedule 2	The later of: (a) 1 July 2016; and (b) the day the <i>Income Tax Rates Amendment (Temporary Flood Reconstruction Levy) Act 2011</i> receives the Royal Assent. However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	

1 Note: This table relates only to the provisions of this Act as originally
2 enacted. It will not be amended to deal with any later amendments of
3 this Act.

4 (2) Any information in column 3 of the table is not part of this Act.
5 Information may be inserted in this column, or information in it
6 may be edited, in any published version of this Act.

7 **3 Schedule(s)**

8 Each Act that is specified in a Schedule to this Act is amended or
9 repealed as set out in the applicable items in the Schedule

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concerned, and any other item in a Schedule to this Act has effect according to its terms.

1 **Schedule 1—Main amendments**
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3 ***Income Tax Assessment Act 1997***

4 **1 Subsection 4-10(3) (note)**

5 Omit “Note”, substitute “Note 1”.

6 **2 At the end of subsection 4-10(3)**

7 Add:

8 Note 2: In addition to the income tax worked out under this section, you may
9 also have to pay additional income tax (known as temporary flood
10 reconstruction levy) for the 2011-12 financial year. See section 4-10
11 of the *Income Tax (Transitional Provisions) Act 1997*.

12 ***Income Tax (Transitional Provisions) Act 1997***

13 **3 At the end of Division 4**

14 Add:

15 **4-10 Temporary flood reconstruction levy**

16 *Temporary flood reconstruction levy*

17 (1) You must pay extra income tax (*temporary flood reconstruction*
18 *levy*) for the 2011-12 financial year if:

- 19 (a) you are an individual; and
20 (b) your taxable income for the 2011-12 income year exceeds
21 \$50,000.

22 Note: This section will also affect the income tax payable by some trustees
23 who are taxed as if certain trust income were income of individuals.
24 See sections 98 and 99 of the *Income Tax Assessment Act 1936*.

25 (2) Subsection (1) does not apply if you are a member of a class of
26 individuals specified in a legislative instrument made by the
27 Minister for the purposes of this subsection.

28 (3) The Minister may only specify a class of individuals for the
29 purposes of subsection (2) if the Minister is satisfied that the class
30 was affected by a natural disaster that happened in Australia
31 between:

- 1 (a) 1 July 2010; and
- 2 (b) 30 June 2012.

3 *Amount of temporary flood reconstruction levy*

- 4 (4) Your temporary flood reconstruction levy is worked out by
- 5 reference to your taxable income for the 2011-12 income year,
- 6 using the rate or rates that apply to you.

7 Note: See section 12B of the *Income Tax Rates Act 1986*.

8 *Interaction with other provisions*

- 9 (5) For the purpose of working out your income tax for the 2011-12
- 10 financial year, subsection 4-10(3) of the *Income Tax Assessment*
- 11 *Act 1997* has effect as if it stated that your income tax for the
- 12 financial year is the total of:

- 13 (a) the amount worked out using the method statement in that
- 14 subsection; and
- 15 (b) the amount of any extra tax you must pay as mentioned in
- 16 subsection (1) of this section.

- 17 (6) To avoid doubt, temporary flood reconstruction levy is not
- 18 included in your basic income tax liability worked out in
- 19 accordance with step 2 of the method statement in subsection
- 20 4-10(3) of the *Income Tax Assessment Act 1997*.

21 Note: You cannot apply any tax offsets against temporary flood
22 reconstruction levy under Part 2-20 of the *Income Tax Assessment Act*
23 *1997*, because temporary flood reconstruction levy is not included in
24 your basic income tax liability.

- 25 (7) Disregard this section for the purposes of section 770-75 of the
- 26 *Income Tax Assessment Act 1997* (Foreign income tax offset limit).
- 27

1 **Schedule 2—Sunsetting**
2

3 ***Income Tax Assessment Act 1997***

4 **1 Subsection 4-10(3) (note 1)**

5 Omit “Note 1”, substitute “Note”.

6 **2 Subsection 4-10(3) (note 2)**

7 Repeal the note.

8 ***Income Tax (Transitional Provisions) Act 1997***

9 **3 Section 4-10**

10 Repeal the section.