A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999

No. , 1999

(Treasury)

A Bill for an Act to implement A New Tax System by amending legislation relating to indirect tax, and by amending other legislation consequential on indirect tax reform, and for other purposes
Contents

1 Short title ................................................................. 1
2 Commencement ......................................................... 1
3 Schedule(s) ............................................................. 3

Schedule 1—Indirect Tax Acts ........................................... 4

Part 1—Amendment of the A New Tax System (Goods and Services Tax) Act 1999 4

Part 2—Amendment of the A New Tax System (Luxury Car Tax) Act 1999 27


Schedule 2—Indirect tax transition ................................... 29

A New Tax System (Goods and Services Tax Transition) Act 1999 29

Schedule 3—Commonwealth-State financial arrangements ............. 34

A New Tax System (Commonwealth-State Financial Arrangements) Act 1999 34

Schedule 4—ABNs .......................................................... 36

A New Tax System (Australian Business Number) Act 1999 36

Schedule 5—Amendments relating to diplomatic, consular and related privileges and immunities ......................................... 37

Consular Privileges and Immunities Act 1972 37
Diplomatic Privileges and Immunities Act 1967 39
International Organisations (Privileges and Immunities) Act 1963 42
Overseas Missions (Privileges and Immunities) Act 1995 44

Schedule 6—Other consequential amendments ......................... 48

Income Tax Assessment Act 1997 48
Petroleum Resource Rent Tax Assessment Act 1987 48
A Bill for an Act to implement A New Tax System
by amending legislation relating to indirect tax, and
by amending other legislation consequential on
indirect tax reform, and for other purposes

The Parliament of Australia enacts:

1  Short title

This Act may be cited as the A New Tax System (Indirect Tax and
Consequential Amendments) Act (No. 2) 1999.

2  Commencement

(1) Subject to this section, this Act commences on the day on which it
receives the Royal Assent.
Schedule 1—GST, Luxury Car Tax and Wine Equalisation Tax

(2) Part 1 of Schedule 1 to this Act commences immediately after the commencement of Part 1 of Schedule 1 (other than the items for which specific commencement has been provided) to the A New Tax System (Indirect Tax and Consequential Amendments) Act 1999.

(3) Part 2 of Schedule 1 to this Act commences immediately after the commencement of Part 2 of Schedule 1 (other than the items for which specific commencement has been provided) to the A New Tax System (Indirect Tax and Consequential Amendments) Act 1999.

(4) Part 3 of Schedule 1 to this Act commences immediately after the commencement of Part 3 of Schedule 1 (other than the items for which specific commencement has been provided) to the A New Tax System (Indirect Tax and Consequential Amendments) Act 1999.

Schedule 2—Indirect Tax Transition

(5) Schedule 2 is taken to have commenced immediately after the commencement of Schedule 6 (other than the items for which specific commencement has been provided) to the A New Tax System (Indirect Tax and Consequential Amendments) Act 1999.

Schedule 3—Commonwealth-State financial arrangements

(6) Schedule 3 is taken to have commenced immediately after the commencement of the A New Tax System (Commonwealth-State Financial Arrangements) Act 1999.

Schedule 4—ABNs

(7) Schedule 4 commences at the same time as the commencement of Part 1 of Schedule 1.

Schedules 5 and 6—Consequential amendments

(8) Schedules 5 and 6 commence immediately after the commencement of the A New Tax System (Goods and Services Tax) Act 1999.
3 Schedule(s)

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.
Schedule 1—Indirect Tax Acts

Part 1—Amendment of the A New Tax System (Goods and Services Tax) Act 1999

1 At the end of subsection 9-30(1)

Add “or under a provision of another Act”.

2 Section 9-39 (after table item 8)

Insert:

| 8A | Second-hand goods | Division 66 |

3 Section 9-39 (at the end of the table)

Add:

| 12 | Telecommunication supplies | Division 85 |

4 Section 23-99 (before table item 1)

Insert:

| 1A | Government entities | Division 149 |

5 Section 25-49 (before table item 1)

Insert:

| 1A | Government entities | Division 149 |

6 Section 25-99 (before table item 1)

Insert:

| 1A | Government entities | Division 149 |

7 Section 29-39 (table item 1)

After “Agents”, insert “and insurance brokers”.

8 Section 29-39 (after table item 11)
Insert:

11A Second-hand goods Division 66

9 Paragraph 29-75(1)(a)
Repeal the paragraph, substitute:
(a) must be issued by the supplier of the "taxable supply in the circumstances set out in subsection (2); and

10 Paragraph 29-75(2)(b)
Repeal the paragraph, substitute:
(b) if the supplier has issued a "tax invoice in relation to the supply (or the recipient has requested one) and the supplier becomes aware of the adjustment before an adjustment note is requested—within 28 days after becoming aware of that fact;

11 At the end of subsection 29-75(2)
Add "(in which case it must be issued by the recipient)".

12 Section 29-99 (table item 1)
After "Agents", insert "and insurance brokers".

13 Section 37-1 (table item 1)
After "Agents", insert "and insurance brokers".

14 Section 37-1 (after table item 12)
Insert:

12A Government entities Division 149

15 Section 37-1 (after table item 35)
Insert:

35A Telecommunication supplies Division 85

16 Section 38-385
Repeal the section, substitute:
Schedule 1  Indirect Tax Acts
Part 1  Amendment of the A New Tax System (Goods and Services Tax) Act 1999

38-385 Supplies of precious metals

A supply of *precious metal is GST-free if:

(a) it is the first supply of that precious metal after its refining by, or on behalf of, the supplier; and
(b) the entity that refined the precious metal is a *refiner of precious metal; and
(c) the *recipient of the supply is a *dealer in precious metal.

Note: Any other supply of precious metal is input taxed under section 40-100.

17 Section 40-1
Omit “sets out”, substitute “provides for”.

18 Subsections 40-5(2), (3) and (4)
Repeal the subsections, substitute:

(2) Financial supply has the meaning given by the regulations.

19 At the end of section 48-10
Add:

Note: For the membership requirements of a GST group of government related entities, see section 149-25.

20 At the end of Division 48
Add:

Subdivision 48-D—Ceasing to be a member of a GST group

48-110 Adjustments after you cease to be a member of a GST group

(1) If you *cease to be a member of a GST group (the first GST group), any *adjustment that arises afterwards in relation to a supply or acquisition that you made while a *member of the first GST group (other than a supply to, or an acquisition from, another member of that group):

(a) is an adjustment that you have; and
(b) is not an adjustment of the entity that is or was the *representative member of the first GST group (unless you were that representative member).

*A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999
No. , 1999
(2) This section has effect despite subsections 48-40(1) and 48-45(1) (which are about who, in a GST group, is liable to pay GST and who is entitled to input tax credits). This section does not affect section 48-50 (which is about who, in a GST group, has adjustments).

48-115 Changes in extent of creditable purpose after you cease to be a member of a GST group

(1) If:

(a) while you were a *member of a first GST group (the *first GST group) you acquired a thing (other than from another member of that group) or imported a thing; and
(b) you *cease to be a member of the first GST group; then, when applying section 129-40 for the first time after that cessation, the intended or former application of the thing is the extent of *creditable purpose last used to work out, under section 48-55:

(c) the amount of the input tax credit to which the representative member was entitled for the acquisition or importation; or
(d) the amount of any *adjustment the representative member had under Division 129 in relation to the thing.

(2) If:

(a) you were a *member of a *first GST group (the first GST group) at the time that you made an acquisition of a thing (other than from another member of that group) or importation of a thing; and
(b) you have *ceased to be a member of the first GST group; and
(c) you have an *adjustment under Division 129 in relation to the thing, or the representative member of another GST group of which you are a *member has that adjustment; then, for the purposes of working out the full input tax credit in section 129-70 or 129-75, you are taken not to have been a member of a GST group when you acquired or imported the thing.

21 At the end of section 66-1

Add “, and a form of global accounting is used for some acquisitions of second-hand goods that are divided for re-supply”.

A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999 No. 7, 1999
22 After section 66-1

Insert:

Subdivision 66-A—Input tax credits for acquiring second-hand goods

23 Subsection 66-5(1)

After “second-hand goods”, insert “for the purposes of sale or exchange (but not for manufacture) in the ordinary course of business”.

24 Paragraph 66-5(2)(d)

Repeal the paragraph, substitute:

(d) Subdivision 66-B applies to the acquisition; or

25 Subsection 66-10(1)

After “second-hand goods”, insert “for which the consideration is more than $300”.

26 After subsection 66-10(1)

Insert:

(1A) The amount of the input tax credit for a creditable acquisition of second-hand goods for which the consideration is $300 or less is an amount equal to $1/11 of the consideration that you provide, or are liable to provide, for the acquisition.

27 Paragraph 66-15(1)(b)

Repeal the paragraph, substitute:

(b) either the consideration for the acquisition was more than $300 or you choose to have this section apply to the acquisition;

28 Subsection 66-15(3)

Repeal the subsection.

29 After section 66-15

Insert:
66-17 Records of creditable acquisitions of second-hand goods

(1) If you make a *creditable acquisition of second-hand goods and the supply of the goods to you was not a *taxable supply:
   (a) subsection 29-10(3) applies to the acquisition as if references to a *tax invoice were references to a record you prepared that complies with this section; and
   (b) subsection 29-20(3) applies to an adjustment event relating to the acquisition as if references to an *adjustment note were references to a record you prepared that complies with this section.

(2) To comply with this section, the record must:
   (a) set out the name and address of the entity that supplied the goods to you; and
   (b) describe the goods (including their quantity); and
   (c) set out the date of, and the *consideration for, the acquisition.

(3) This section has effect despite section 29-10 (which is about attributing the input tax credits for creditable acquisitions) and section 29-20 (which is about attributing decreasing adjustments).

30 At the end of Division 66

Add:

Subdivision 66-B—Acquisitions of second-hand goods that are divided for re-supply

66-40 Acquisitions of second-hand goods that can be used to offset GST on future re-supplies

(1) This Subdivision applies to an acquisition of *second-hand goods if:
   (a) you acquire the goods for the purposes of sale or exchange (but not for manufacture) in the ordinary course of *business; and
   (b) either the *consideration for the acquisition was more than $300 or you choose to have this section apply to the acquisition; and
(c) the goods are of such a kind, or they are supplied to you in such a way, that it would be reasonable to expect you to divide them before supplying them in 2 or more separate supplies; and
(d) you do not subsequently make a single supply of the entirety of the goods acquired.

(2) However, this Subdivision does not apply, and is taken never to have applied, to the acquisition if:
(a) the consideration for the acquisition separately itemises the consideration for the different goods acquired, and your division of the goods before supplying them:
   (i) corresponds to that itemisation; or
   (ii) does not involve dividing the goods any further than the division indicated by that itemisation; or
(b) the supply of the goods to you was a taxable supply, or was GST-free; or
(c) you imported the goods; or
(d) the supply of the goods to you was a supply by way of hire; or
(e) you make a supply of the goods, or of part of the goods, that is not a taxable supply (other than because of section 66-45).

66-45 Future re-supplies that are not taxable supplies

(1) A supply you make is not a taxable supply if:
(a) it is a supply of goods that were part of an acquisition you made that was an acquisition of second-hand goods to which this Subdivision applied; and
(b) your total Subdivision 66-B credit amount is more than your total Subdivision 66-B GST amount; and
(c) what would be the amount of GST payable on the supply, if the supply were a taxable supply, is less than or equal to the difference between:
   (i) your total Subdivision 66-B credit amount; and
   (ii) your total Subdivision 66-B GST amount.

Note: This section will not apply unless the record keeping requirements of section 66-55 are met.
(2) This section has effect despite section 9-5 (which is about what are taxable supplies).

66-50 Future re-supplies on which GST is reduced

(1) The amount of GST on a *taxable supply you make is reduced if:
   (a) it is a supply of goods that were part of an acquisition you made that was an acquisition of *second-hand goods to which this Subdivision applied; and
   (b) your *total Subdivision 66-B credit amount is more than your *total Subdivision 66-B GST amount; and
   (c) what would be the amount of GST payable on the supply, if the amount were not reduced under this section, is more than the difference between:
      (i) your total Subdivision 66-B credit amount; and
      (ii) your total Subdivision 66-B GST amount.

Note: This section will not apply unless the record keeping requirements of section 66-55 are met.

(2) The amount by which the GST on the supply is reduced is an amount equal to the difference between:
   (a) your *total Subdivision 66-B credit amount; and
   (b) your *total Subdivision 66-B GST amount.

(3) This section has effect despite section 9-70 (which is about the amount of GST on taxable supplies).

66-55 Records of acquisitions of second-hand goods to which this Subdivision applied

Sections 66-45 and 66-50 do not apply to a supply of goods you made unless you hold a record, relating to the acquisition of *second-hand goods of which the goods supplied were a part, that:
   (a) sets out the name and address of the entity that supplied the goods to you; and
   (b) describes the goods (including their quantity); and
   (c) sets out the date of, and the *consideration for, the acquisition.
66-60 Input tax credits for acquiring second-hand goods the supply of which is not fully taxable

(1) If an entity acquires second-hand goods, and, because of section 66-45 and for no other reason, the supply of the goods to the entity is not a taxable supply:
   (a) the fact that the supply is not a taxable supply does not stop the acquisition being a creditable acquisition; and
   (b) the amount of the input tax credit for the creditable acquisition is worked out as if the supply were a taxable supply.

(2) If:
   (a) an entity makes a creditable acquisition of second-hand goods; and
   (b) the amount of GST on the supply of the goods to the entity was reduced because of section 66-50;

   the amount of the input tax credit for the creditable acquisition is worked out as if that amount of GST had not been so reduced.

(3) This section has effect despite section 11-5 (which is about what is a creditable acquisition) and section 11-25 (which is about the amount of input tax credits for creditable acquisitions).

66-65 Total Subdivision 66-B credit amounts and Subdivision 66-B GST amounts

(1) Your total Subdivision 66-B credit amount is the sum of the amounts of the input tax credits to which you would have been entitled, for all your acquisitions of second-hand goods to which this Subdivision applied, if this Subdivision had not applied to them.

(2) Your total Subdivision 66-B GST amount is the sum of:
   (a) all the amounts of GST that, but for the operation of section 66-45, would have been payable on supplies that you made; and
   (b) all the amounts by which GST payable on supplies that you made has been reduced under section 66-50.
66-70 Commissioner may determine rules for applying this
Subdivision

(1) The Commissioner may, in writing, determine:
(a) that acquisitions of "second-hand goods of a specified kind
are, or are not, acquisitions of second-hand goods to which
this Subdivision applies; or
(b) how "total Subdivision 66-B credit amounts or "total
Subdivision 66-B GST amounts are to be worked out in
specified circumstances.

(2) Determinations under subsection (1) override the provisions of this
Subdivision (except this section), but only to the extent of any
inconsistency.

31 Before section 78-5
Insert:

78-3 GST on insurance premiums is exclusive of stamp duty

(1) The "value of a "taxable supply of an "insurance policy is reduced
by the amount of any stamp duty payable under a "State law or
"Territory law in respect of the supply.

(2) This section has effect despite section 9-75 (which is about the
value of taxable supplies).

32 Subsection 78-5(3)
Repeal the subsection, substitute:

(3) However:
(a) this section only applies if the supply of the "insurance policy
by the insurer was a "taxable supply; and
(b) this section does not apply if the claim in question is a claim
under a "compulsory third party scheme or a "workers’
compensation scheme.

For compulsory third party schemes and workers’ compensation schemes, see
Subdivision 78-E.

33 Paragraph 78-10(1)(b)
Repeal the paragraph, substitute:
Schedule 1 Indirect Tax Acts
Part 1 Amendment of the A New Tax System (Goods and Services Tax) Act 1999

(b) the market value of all supplies made in settlement of the claim, other than supplies that would be "taxable supplies but for section 78-12; minus

34 At the end of paragraph 78-10(1)(c)

Add “to the insurer”.

35 After section 78-10

Insert:

78-12 Supplies in settlement of claims are not taxable supplies

(1) A supply that an insurer makes in settlement of a claim under an "insurance policy is not a "taxable supply.

(2) This section has effect despite section 9-5 (which is about what are taxable supplies).

36 At the end of Subdivision 78-A

Add:

78-20 Taxable supplies relating to rights of subrogation

(1) If, in settlement of a claim made by an insurer in the insurer’s exercising of rights of subrogation in respect of an "insurance policy, an entity that is not insured under the policy:

(a) makes a payment of "money; or

(b) makes a supply; or

(c) makes both a payment of money and a supply;

the payment or supply is treated as "consideration for a supply made by the insurer, whether or not the payment or supply is made to the insurer.

(2) This section has effect despite section 9-15 (which is about consideration).

37 Subsection 78-30(2)

Omit “if”, substitute “to the extent (if any) that”.

38 Subsection 78-30(4)
Repeal the subsection, substitute:

(4) However:

(a) the supply by the entity insured is not a "taxable supply to the extent (if any) that the "consideration for the supply is a taxable supply; and

(b) this section does not apply if the claim in question is a claim under a "compulsory third party scheme or a "workers’ compensation scheme.

For compulsory third party schemes and workers’ compensation schemes, see Subdivision 78-E.

39 Subsection 78-35(1)

After “excess”, insert “to the insurer”.

40 At the end of paragraph 78-40(1)(b)

Add “to the insurer”.

41 At the end of Subdivision 78-C

Add:

78-75 Creditable acquisitions relating to rights of subrogation

(1) If, in settlement of a claim made by an insurer in the insurer’s exercising of rights of subrogation in respect of an "insurance policy, an entity that is not insured under the policy:

(a) makes a payment of "money; or

(b) makes a supply; or

(c) makes both a payment of money and a supply;

the payment or supply is treated as "consideration for an acquisition made by the entity.

(2) The acquisition is a creditable acquisition if:

(a) the entity settles the claim for a "creditable purpose; and

(b) the entity is "registered, or "required to be registered.

(3) However, this section only applies if the corresponding supply that the insurer is treated as having made because of section 78-20 is a "taxable supply.
Schedule 1 Indirect Tax Acts
Part 1 Amendment of the A New Tax System (Goods and Services Tax) Act 1999

(4) This section has effect despite section 11-5 (which is about what is a creditable acquisition).

42 At the end of Division 78

Add:

Subdivision 78-E—Compulsory third party schemes and workers’ compensation schemes

78-105 Decreasing adjustments relating to compulsory third party schemes and workers’ compensation schemes

(1) You have a decreasing adjustment if, in settlement of a claim under a compulsory third party scheme or a workers’ compensation scheme, you:

(a) make a payment of money; or
(b) make a supply; or
(c) make both a payment of money and a supply.

(2) However, this section only applies if:

(a) you settle the claim for a creditable purpose; and
(b) you are registered, or required to be registered.

(3) The amount of the decreasing adjustment is the difference (if any) between:

(a) the amount of the input tax credit to which you would have been entitled in respect of the payment or supply; and
(b) the amount of GST (if any) that would have been payable, in respect of the payment or supply, by the entity insured; if the payment or supply were not made in settlement of a claim under a compulsory third party scheme or a workers’ compensation scheme.

Note: In the case of a statutory compensation scheme, paragraph 78-130(2)(c) specifies who is the entity insured.

78-110 Meanings of compulsory third party scheme and workers’ compensation scheme

(1) A compulsory third party scheme is:

(a) a statutory compensation scheme; or

16 A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999 No. 16, 1999
(b) a scheme or arrangement, established by an "Australian law, under which "insurance policies are issued; that is specified in the regulations, or that is of a kind specified in the regulations.

(2) A workers’ compensation scheme is:
   (a) a "statutory compensation scheme; or
   (b) a scheme or arrangement, established by an "Australian law, under which "insurance policies are issued; that is specified in the regulations, or that is of a kind specified in the regulations.

Subdivision 78-F—Statutory compensation schemes

78-125 GST on premiums etc. under statutory compensation schemes is exclusive of stamp duty

(1) The "value of a "taxable supply of membership of, or participation in, a "statutory compensation scheme is reduced by the amount of any stamp duty payable under a "State law or "Territory law in respect of the supply.

(2) This section has effect despite section 9-75 (which is about the value of taxable supplies).

78-130 Settlements of claims for compensation under statutory compensation schemes

(1) This Division applies in relation to a payment or supply made in settlement of a claim for compensation under a "statutory compensation scheme in the same way that it applies to a payment or supply made in settlement of a claim under an "insurance policy.

(2) For the purposes of the application of this Division in relation to such a payment or supply:
   (a) the claim for compensation under the scheme is treated as a claim under an "insurance policy; and
   (b) the entity operating the scheme is treated as the insurer; and
   (c) an entity is treated as the entity insured if:
(i) the entity’s payment of premiums, contributions or similar payments under the scheme, or payment of levy in connection with the scheme; or
(ii) the entity’s liability to pay premiums, contributions or similar payments under the scheme, or liability to pay levy in connection with the scheme;

enabled the claim for compensation to arise; and

(d) the supply of membership of, or participation in, the scheme is treated as the supply of an "insurance policy.

78-135 Meaning of statutory compensation scheme

A statutory compensation scheme is a scheme or arrangement:

(a) that is established by an "Australian law; and

(b) under which compensation is payable for particular kinds of injury, loss or damage; and

(c) that is specified in the regulations, or that is of a kind specified in the regulations.

Subdivision 78-G—Miscellaneous

78-150 Effect of judgments and court orders

If:

(a) in compliance with a judgment or order of a court relating to:

(i) a claim under an "insurance policy; or

(ii) a claim by an insurer in exercising rights of subrogation in respect of an insurance policy; or

(iii) a claim for compensation under a "statutory compensation scheme;

an entity makes a payment of "money, makes a supply, or makes both a payment of money and a supply; and

(b) had the payment or supply been made in the absence of such a judgment or order, it would have been a payment or supply made in settlement of the claim;

the payment or supply is treated as having been made in settlement of the claim.
78-155 Exclusion of certain Commonwealth, State or Territory insurance schemes

This Division (other than sections 78-3 and 78-125) does not apply to an *insurance policy, or to a payment or supply made in settlement of a claim made under an insurance policy, if:

(a) the policy was supplied under a scheme for insurance, or a *statutory compensation scheme, established by an *Australian law; and

(b) that scheme is of a kind specified in the regulations.

43 After Division 84

Insert:

Division 85—Telecommunication supplies

85-1 What this Division is about

Telecommunication supplies that are effectively used or enjoyed in Australia are included in the GST system (regardless of where the supplier has a physical presence).

85-5 When telecommunication supplies are connected with Australia

(1) A *telecommunication supply is connected with Australia if the *recipient of the supply will effectively use or enjoy the supply in Australia.

(2) However, subsection (1) does not apply to a *telecommunication supply, or a telecommunication supply included in a class of telecommunication supplies, if:

(a) the supplier makes the supply through an *enterprise that is not *carried on in Australia; and

(b) the Commissioner determines that collection of GST on that supply or class of supplies would not be administratively feasible.

(3) This section has effect in addition to section 9-25 (which is about when supplies are connected with Australia).
85-10 Meaning of telecommunication supply

A telecommunication supply is a supply relating to the transmission, emission or reception of signals, writing, images, sounds or information of any kind by wire, radio, optical or other electromagnetic systems. It includes:

(a) the related transfer or assignment of the right to use capacity for such transmission, emission or reception; and

(b) provision of access to global information networks.

44 Paragraph 96-5(1)(c)

Repeal the paragraph, substitute:

(c) a *telecommunication supply;

(d) a supply of anything, other than goods or real property, that is not a telecommunication supply;

45 Subparagraph 117-5(1)(b)(i)

Repeal the subparagraph, substitute:

(i) for the *international transport of the goods to their *place of consignment in Australia; and

46 Subsection 129-25(1)

Omit all the words from and including “the next *adjustment period”, substitute:

the next tax period applying to you that ends:

(d) on 30 June in any year; or

(e) if none of the tax periods applying to you in a particular year ends on 30 June—closer to 30 June than any of the other tax periods applying to you in that year;

is the last *adjustment period for the acquisition or importation in question.

47 At the end of Part 4-5

Add:
Division 149—Government entities

149-1 What this Division is about

Parts of the Commonwealth, a State or a Territory may register even if they are not separate legal entities. Once registered, they may become liable for GST and entitled to input tax credits. Government entities may also form GST groups.

149-5 Government entities may register

(1) A government entity may apply to be registered under section 23-10 even if:
   (a) it is not an entity; and
   (b) it is not carrying on an enterprise or is not intending to carry on an enterprise.

(2) For the purposes of subsections 25-5(1) and (3), the Commissioner is to treat the government entity as an entity.

(3) The Commissioner must register the government entity whether or not the Commissioner is satisfied that it is carrying on an enterprise or intending to carry on an enterprise.

(4) This section has effect despite section 23-10 (which is about who may be registered) and modifies the effect of section 25-5 (which is about when the Commissioner must register an entity).

149-10 Government entities are not required to be registered

(1) A government entity is not required to be registered even if:
   (a) it is carrying on an enterprise; and
   (b) its annual turnover meets the registration turnover threshold.

(2) This subsection has effect despite section 23-5.
149-15 This Act applies to registered government entities

For the purposes of this Act, a *government entity that is
*registered is treated, while its registration has effect, as if it were
an entity carrying on an *enterprise.

149-20 Government entities not required to cancel their registration

Section 25-50 and subsection 25-55(2) (which are about cancelling
registration) do not apply to *government entities.

149-25 Membership requirements of a government GST group

A *government related entity satisfies the membership
requirements for a *GST group, or a proposed GST group, of
government related entities if:
(a) it is *registered; and
(b) it is not a *member of any other GST group; and
(c) it has the same tax periods applying to it as the tax periods
applying to all the other members of the GST group or
proposed GST group; and
(d) it accounts on the same basis as all those other members; and
(e) all those other members are government related entities.

Note: Government related entities can still use section 48-10 to satisfy the
membership requirements of GST groups.

48 Division 153 (heading)

Repeal the heading, substitute:

Division 153—Agents and insurance brokers

49 At the end of section 153-1

Add “, or when insurance is supplied through an insurance broker”.

50 At the end of Division 153

Add:
153-25 Insurance supplied through insurance brokers

(1) If an insurer supplies an "insurance policy through an insurance broker acting on behalf of the recipient of the supply, this Division has effect as if the supply were made through the insurance broker as an agent of the insurer.

(2) This section does not affect the application of this Division in relation to the acquisition of the "insurance policy through the insurance broker as an agent of the recipient.

51 Section 195-1

Insert:

cease to be a member of a GST group means:

(a) your approval as a GST group is revoked; or

(b) the approval of a GST group of which you are a member is revoked.

52 Section 195-1

Insert:

compulsory third party scheme has the meaning given by subsection 78-110(1).

53 Section 195-1 (definition of connected with Australia)

Omit "section 9-25", substitute "sections 9-25 and 85-5".

54 Section 195-1 (definition of dealer in precious metal)

Omit "for investment purposes".

55 Section 195-1 (after table item 4 of the definition of decreasing adjustment)

Insert:

4A Section 78-105 payments or supplies made in settlement of claims under compulsory third party schemes or workers compensation schemes
Schedule 1  Indirect Tax Acts
Part 1  Amendment of the A New Tax System (Goods and Services Tax) Act 1999

56 Section 195-1 (definition of financial supply)
Omit “section 40-5”, substitute “the regulations made for the purposes of subsection 40-5(2)”.

57 Section 195-1
Insert:

government entity has the meaning given by section 41 of the A New Tax System (Australian Business Number) Act 1999.

58 Section 195-1
Insert:

government related entity is:
(a) a *government entity; and
(b) an entity that would be a government entity but for subparagraph (e)(i) of the definition of government entity in the A New Tax System (Australian Business Number) Act 1999.

59 Section 195-1 (definition of GST exclusive market value)
Repeal the definition, substitute:

GST exclusive market value, in relation to a supply or acquisition:
(a) other than of a *luxury car—is 10/11 of the *GST inclusive market value of the supply or acquisition; or
(b) of a *luxury car—is 10/11 of the *GST inclusive market value of the luxury car (excluding any *luxury car tax that is, or would be, payable on the supply of that car).

60 Section 195-1 (paragraph (a) of the definition of GST exclusive value)
Repeal the paragraph, substitute:
(a) in relation to an acquisition:
(i) other than of a *luxury car—means 10/11 of the *price of the supply of the thing being acquired; or
(ii) of a *luxury car—means 10/11 of the *price of the supply of the luxury car (excluding any *luxury car tax payable on the supply); and

A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999
No.  , 1999
61 Section 195-1 (definition of *GST inclusive market value*)
Omit “the amount of GST (if any)”, substitute “any amount of GST or *luxury car tax*”.

62 Section 195-1
Insert:

*insurance broker* has the meaning given by section 11 of the *Insurance Contracts Act 1984.*

63 Section 195-1 (definition of *live stock*)
Repeal the definition.

64 Section 195-1 (definition of *member*)
Repeal the definition, substitute:

*member*, in relation to a “GST group, means an entity or a *government related entity currently approved as one of the members of the group under section 48-5 or paragraph 48-70(1)(a).*

65 Section 195-1 (definition of *precious metal*)
Omit “in any form” (wherever occurring), substitute “in an investment form”.

66 Section 195-1 (paragraph (d) of the definition of *precious metal*)
After “substance”, insert “(in an investment form)”.

67 Section 195-1 (at the end of the definition of *satisfies the membership requirements*)
Add “or 149-25”.

68 Section 195-1 (paragraph (c) of the definition of *second-hand goods*)
Repeal the paragraph, substitute:

(c) *animals or plants.*

69 Section 195-1
Insert:
statutory compensation scheme has the meaning given by section 78-135.

70 Section 195-1 (note at the end of the definition of taxable supply)

After “sections”, insert “66-45,”.

71 Section 195-1

Insert:

**telecommunication supply** has the meaning given by section 85-10.

72 Section 195-1

Insert:

**total Subdivision 66-B credit amount** has the meaning given by subsection 66-65(1).

73 Section 195-1

Insert:

**total Subdivision 66-B GST amount** has the meaning given by subsection 66-65(2).

74 Section 195-1 (paragraph (b) of the definition of value)


75 Section 195-1 (paragraph (b) of the definition of value)

Omit “and” (last occurring).

76 Section 195-1 (paragraph (c) of the definition of value)

Repeal the paragraph.

77 Section 195-1

Insert:

**workers’ compensation scheme** has the meaning given by subsection 78-110(2).
Part 2—Amendment of the A New Tax System (Luxury Car Tax) Act 1999

78 Section 27-1 (definition of car)

Repeal the definition, substitute:

car means a "motor vehicle (except a motor cycle or similar vehicle) that is:

(a) designed to carry a load of less than 2 tonnes and fewer than 9 passengers; or

(b) a limousine (regardless of the number of passengers it is designed to carry).

79 Section 33-1 (at the end of the definition of application to own use)

Add:

; or (g) using the wine as part of the process of manufacture or other treatment or processing of wine or other goods.
Schedule 2—Indirect tax transition

A New Tax System (Goods and Services Tax Transition) Act 1999

1 Before subsection 11(2)
   Insert:
   
   (1B) This section does not apply to a supply of a long-term lease made before 1 July 2000.

2 At the end of section 12
   Insert:
   
   (4) This section does not apply to a supply of a long-term lease made before 1 July 2000.

3 Subsection 14(2)
   Repeal the subsection, substitute:
   
   (2) To the extent that the supply is constituted by the supply of the right, so much of the supply as is made before 1 July 2000 is instead taken, for the purposes of this Act, to be made on 1 July 2000.

4 At the end of subsection 16(1)
   Add:

   Note: In some cases relating to alcoholic beverages, subsections 16A(3) and 16B(3) prevent special credits arising.

5 At the end of paragraph 16(2)(b)
   Add “, if those goods are opened stock”.

6 At the end of subsection 16(2)
   Add:

   ; (c) wine within the meaning of the A New Tax System (Wine Equalisation Tax) Act 1999.

7 At the end of subsection 16(3)
Add:

Note: In some cases relating to alcoholic beverages, subsections 16A(2) and 16B(2) reduce the amounts of special credits.

8 After section 16

Insert:

16A Special GST credit for certain alcoholic beverages on which duty has increased

(1) This section applies to goods if:

(a) you are entitled to a special credit under section 16 in respect of the goods (or would be so entitled apart from subsection (3) of this section); and

(b) they are goods mentioned in subsection 15A(1) (alcoholic beverages) of the Sales Tax (Exemptions and Classifications) Act 1992; and

(c) either:

(i) an amount of excise duty or customs duty (the old duty amount) in respect of the goods was paid before 1 July 2000; or

(ii) the goods were delivered into home consumption before 1 July 2000 under a permission given under subsection 61C(1) of the Excise Act 1901 or granted under subsection 69(3) of the Customs Act 1901, and an amount of excise duty or customs duty (the old duty amount) was or is payable in respect of the goods; and

(d) were excise duty or customs duty (whichever is applicable) instead to become payable on the goods immediately after 1 July 2000, the amount of that duty (the new duty amount) would be greater than the old duty amount.

(2) The amount of the special credit in respect of the goods is reduced by an amount equal to the difference between the new duty amount and the old duty amount.

(3) However, there is no special credit in respect of the goods if the difference between the new duty amount and the old duty amount equals or exceeds what would (apart from this section) be the amount of the special credit.
16B  Special GST credit for certain alcoholic beverages on which duty would not previously have been paid

(1) This section applies to goods if:

(a) you are entitled to a special credit under section 16 in respect of the goods (or would be so entitled apart from subsection (3) of this section); and

(b) they are goods mentioned in subsection 15A(1) (alcoholic beverages) of the Sales Tax (Exemptions and Classifications) Act 1992; and

(c) immediately before 1 July 2000, the goods were not:

(i) excisable goods (within the meaning of the Excise Act 1901); or

(ii) goods of a kind in respect of which customs duty was imposed by the Parliament, or goods the subject of a Customs Tariff or Customs Tariff proposed in the Parliament; and

(d) immediately after 1 July 2000, the goods became goods of a kind referred to in subparagraph (c)(i) or (ii).

(2) The amount of the special credit in respect of the goods is reduced by an amount (the new duty amount) equal to what would be the excise duty or customs duty (whichever is applicable) in respect of the goods if that duty were to become payable immediately after 1 July 2000.

(3) However, there is no special credit in respect of the goods if the new duty amount equals or exceeds what would (apart from this section) be the amount of the special credit.

(4) To avoid doubt, goods that are subject to a “free” rate of duty, or which, under a Customs Tariff proposed in the Parliament, would be subject to a “free” rate of duty, are not goods of a kind referred to in subparagraph (1)(c)(ii).

16C  Special petroleum credits

(1) You are entitled to a special petroleum credit if:

(a) you are registered as at 1 July 2000; and

(b) you have on hand, at the start of 1 July 2000, goods you acquired or imported that are held for the purposes of sale or...
exchange (but not for manufacture) in the ordinary course of business; and

(c) the goods are petroleum products of a kind specified in the regulations; and

(d) either:

(i) an amount of excise duty or customs duty (the old duty amount) in respect of the goods was paid before 1 July 2000; or

(ii) the goods were delivered into home consumption before 1 July 2000 under a permission given under subsection 61C(1) of the Excise Act 1901 or granted under subsection 69(3) of the Customs Act 1901, and an amount of excise duty or customs duty (the old duty amount) was or is payable in respect of the goods; and

(e) were excise duty or customs duty (whichever is applicable) instead to become payable on the goods after 1 July 2000, the amount of that duty (the new duty amount) would be less than the old duty amount.

(2) The amount of the special petroleum credit in respect of the goods is an amount equal to the difference between the old duty amount and the new duty amount.

(3) The Commissioner must, on behalf of the Commonwealth, pay the special petroleum credit to you or, as provided in the regulations, to another person on your behalf. The payment must be made within the period and in the manner specified in the regulations.

9 Subsection 18(1)

Repeal the subsection, substitute:

(1) Division 66 of the GST Act applies to second-hand goods you acquired before 1 July 2000 only if:

(a) you held them at the start of that day for the purposes of sale or exchange (but not for manufacture) in the ordinary course of business; and

(b) you had not previously held them for any other purpose.

(1A) However, if:
(a) because of this section, you are entitled to an input tax credit for an acquisition of second-hand goods; and
(b) the consideration for the acquisition was $300 or less;
the input tax credit is treated as though it were an input tax credit attributable to any one tax period of your choice.

10 At the end of section 23

Add:

(2) You are not entitled to an input tax credit for:
   (a) a premium, contribution or similar payment made under, or a levy paid in connection with, a compulsory third party scheme before 1 July 2003; or
   (b) a premium paid, before 1 July 2003, on an insurance policy issued under a compulsory third party scheme.
Schedule 3—Commonwealth-State financial arrangements


1 Section 4
   Insert:

   *general interest charge* means the charge worked out under Division 1 of Part IIA of the *Taxation Administration Act 1953*.

2 Section 4
   Insert:

   *luxury car tax law* has the meaning given by section 27-1 of the *A New Tax System (Luxury Car Tax) Act 1999*.

3 Section 4
   Insert:

   *wine equalisation tax law* has the meaning given by section 33-1 of the *A New Tax System (Wine Equalisation Tax) Act 1999*.

4 After paragraph 5(3)(a)
   Insert:

   (aa) the amount of general interest charge that was collected to the extent that it is attributable to:
       (i) unpaid GST; or
       (ii) unpaid general interest charge, being general interest charge payable in respect of unpaid GST; and

5 At the end of subsection 5(4)
   Add:

   ; to the extent that the amounts are attributable to GST.

6 After subsection 5(4)
   Insert:
(4A) In making determinations and estimates for the purposes of subsection (2), the Commissioner must make such adjustments as are necessary to ensure that any effect that the luxury car tax law or wine equalisation tax law would otherwise have on the amounts of GST, and the amounts attributable to GST, is removed.
Schedule 4—ABNs

A New Tax System (Australian Business Number) Act 1999

1 Subsection 8(1)
   Repeal the subsection, substitute:
   (1) "You are entitled to have an Australian Business Number ("ABN) if:
       (a) you are "carrying on an "enterprise in "Australia; or
       (b) in the course or furtherance of carrying on an enterprise, you make "supplies that are "connected with Australia.

2 Section 39
   Repeal the section.

3 Section 41 (definition of carried on in Australia)
   Repeal the definition.

4 Section 41
   Insert:
   connected with Australia, in relation to a "supply, has the meaning given by section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999.

5 Section 41
   Insert:
   supply has the meaning given by section 9-10 of the A New Tax System (Goods and Services Tax) Act 1999.
Schedule 5—Amendments relating to diplomatic, consular and related privileges and immunities

Consular Privileges and Immunities Act 1972

1 Subsection 3(1)
   Insert:

   acquisition has the meaning given by section 195-1 of the GST Act.

2 Subsection 3(1)
   Insert:

   approved form has the meaning given by section 995-1 of the 

3 Subsection 3(1)
   Insert:

   Commissioner means the Commissioner of Taxation.

4 Subsection 3(1)
   Insert:

   GST Act means the A New Tax System (Goods and Services Tax) 
   Act 1999.

5 Subsection 3(1)
   Insert:

   indirect tax means:
   (a) GST within the meaning of section 195-1 of the GST Act; or 
   (b) luxury car tax within the meaning of section 27-1 of the 
       Luxury Car Tax Act; or 
   (c) wine equalisation tax within the meaning of section 33-1 of 
       the Wine Equalisation Tax Act.
Schedule 5  Amendments relating to diplomatic, consular and related privileges and immunities

6 Subsection 3(1)

Insert:


7 Subsection 3(1)

Insert:


8 After subsection 6(1)

Insert:

| (1A) Despite: |
| (a) section 177-5 of the GST Act; and |
| (b) section 21-5 of the Luxury Car Tax Act; and |
| (c) section 27-25 of the Wine Equalisation Tax Act; |
| indirect tax that would be payable on an importation under one of those Acts is not payable on an importation covered by the exemption from customs duties, taxes and related charges provided for by paragraph 1 or paragraph 2 of Article 50, or Article 62, of the Convention and section 5 of this Act. |

9 After section 10

Insert:

10A Indirect tax concession scheme

(1) If:

| (a) an acquisition covered by a determination of the Minister is made: |
| (i) by or on behalf of the head of a consular post; or |
| (ii) by a consular officer or member of his or her family forming part of his or her household, or another person, who is: |
| covered by a determination of the Minister; and |
| (b) at the time of the acquisition, it was intended for: |
Amendments relating to diplomatic, consular and related privileges and immunities

Schedule 5

(i) the official use of the consular post; or
(ii) a use covered by a determination of the Minister;
the Commissioner must, on behalf of the Commonwealth and subject to subsection (3), pay to the head of the consular post (or a person in a class of persons determined by the Minister) an amount equal to the amount of indirect tax payable (if any) in respect of the supply of that acquisition.

(2) A claim for an amount covered by subsection (1) must be in the approved form.

(3) The amount is payable:
   (a) in accordance with the conditions and limitations; and
   (b) within the period and in the manner; determined by the Minister.

(4) A determination under this section is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(5) In this section:
   consular post includes a post that has privileges and immunities conferred on it under section 9.

Diplomatic Privileges and Immunities Act 1967

10 Subsection 4(1)
   Insert:
   acquisition has the meaning given by section 195-1 of the GST Act.

11 Subsection 4(1)
   Insert:
   approved form has the meaning given by section 995-1 of the Income Tax Assessment Act 1997.

12 Subsection 4(1)
   Insert:

A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999 No. 39 1999
Schedule 5 Amendments relating to diplomatic, consular and related privileges and immunities

Commissioner means the Commissioner of Taxation.

13 Subsection 4(1)
Insert:


14 Subsection 3(1)
Insert:

indirect tax means:
(a) GST within the meaning of section 195-1 of the GST Act; or
(b) luxury car tax within the meaning of section 27-1 of the Luxury Car Tax Act; or
(c) wine equalisation tax within the meaning of section 33-1 of the Wine Equalisation Tax Act.

15 Subsection 4(1)
Insert:


16 Subsection 4(1)
Insert:


17 After subsection 8(1)
Insert:

(1A) Despite:
(a) section 177-5 of the GST Act; and
(b) section 21-5 of the Luxury Car Tax Act; and
(c) section 27-25 of the Wine Equalisation Tax Act;
indirect tax that would be payable on an importation under one of those Acts is not payable on an importation covered by the exemption from customs duties, taxes and related charges provided
Amendments relating to diplomatic, consular and related privileges and immunities

Schedule 5

for by paragraph 1 of Article 36, or paragraph 1 or paragraph 2 of
Article 37, of the Convention and section 7 of this Act.

18 After section 10A

Insert:

10B Indirect tax concession scheme

(1) If:
   (a) an acquisition covered by a determination of the Minister is
       made:
       (i) by or on behalf of the head of a mission; or
       (ii) by a member of the mission, a member of the family of
            such a person or another person, who is;
       covered by a determination of the Minister; and
   (b) at the time of the acquisition, it was intended for:
       (i) the official use of the mission; or
       (ii) a use covered by a determination of the Minister;
   the Commissioner must, on behalf of the Commonwealth and
   subject to subsection (3), pay to the head of the mission (or a
   person in a class of persons determined by the Minister) an amount
   equal to the amount of indirect tax payable (if any) in respect of the
   supply of that acquisition.

(2) A claim for an amount covered by subsection (1) must be in the
approved form.

(3) The amount is payable:
   (a) in accordance with the conditions and limitations; and
   (b) within the period and in the manner;
   determined by the Minister.

(4) A determination under this section is a disallowable instrument for
the purposes of section 46A of the Acts Interpretation Act 1901.

(5) In this section:
   
   mission includes an international organisation that has been
declared by the regulations for the purposes of section 5A.
Schedule 5 Amendments relating to diplomatic, consular and related privileges and immunities

**International Organisations (Privileges and Immunities) Act 1963**

19 Subsection 3(1)

Insert:

*acquisition* has the meaning given by section 195-1 of the **GST Act**.

20 Subsection 3(1)

Insert:

*approved form* has the meaning given by section 995-1 of the **Income Tax Assessment Act 1997**.

21 Subsection 3(1)

Insert:

*Commissioner* means the Commissioner of Taxation.

22 Subsection 3(1)

Insert:

*enterprise* has the meaning given by section 195-1 of the **GST Act**.

23 Subsection 3(1)

Insert:

**GST Act** means the **A New Tax System (Goods and Services Tax) Act 1999**.

24 Subsection 3(1)

Insert:

*indirect tax* means:

(a) GST within the meaning of section 195-1 of the **GST Act**; or

(b) luxury car tax within the meaning of section 27-1 of the **Luxury Car Tax Act**; or

(c) wine equalisation tax within the meaning of section 33-1 of the **Wine Equalisation Tax Act**.
Amendments relating to diplomatic, consular and related privileges and immunities

Schedule 5

25 Subsection 3(1)

Insert:

_Luxury Car Tax Act_ means the _A New Tax System (Luxury Car Tax) Act 1999_.

26 Subsection 3(1)

Insert:


27 After section 11A

Insert:

11B Preservation of exemption from duties on importations

Despite:

(a) section 177-5 of the GST Act; and

(b) section 21-5 of the Luxury Car Tax Act; and

(c) section 27-25 of the Wine Equalisation Tax Act;

indirect tax that would be payable on an importation under one of those Acts is not payable on an importation covered by an immunity from taxation (including customs duties) conferred by the regulations.

11C Indirect tax concession scheme

(1) If:

(a) an acquisition covered by regulations made for the purposes of this section is made:

(i) by or on behalf of an organisation upon which the regulations have conferred an exemption (to some extent) from taxation; or

(ii) by or on behalf of a person (the _person_) upon whom the regulations have conferred an exemption (to some extent) from taxation; and

(b) at the time of the acquisition, it was intended for:

(i) the official use of the organisation or the person; or
Schedule 5  Amendments relating to diplomatic, consular and related privileges and immunities

(ii) a use covered by regulations made for the purposes of this section;

the Commissioner must, on behalf of the Commonwealth and subject to subsection (3), pay to the organisation (or a person in a class of persons determined by the Minister), or the person, an amount equal to the amount of indirect tax payable (if any) in respect of the supply of that acquisition.

(2) A claim for an amount covered by subsection (1) must be in the approved form.

(3) The amount is payable:

(a) in accordance with the conditions and limitations; and
(b) within the period and in the manner;

set out in regulations made for the purposes of this section.

(4) Regulations made for the purposes of subsection (3) may permit the Commissioner to determine the period within which, and the manner in which, the amount is payable.

(5) A determination under subsection (1) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

28  After section 12A

Insert:

12B  No registration under the GST Act

For the purposes of the GST Act, an organisation or person upon which or whom the regulations have conferred privileges and immunities is treated as not carrying on an enterprise when acting in the capacity in respect of which the organisation or person was granted those privileges and immunities.

Note: This means that the organisation or person cannot be registered under Division 23 of the GST Act in that capacity.

Overseas Missions (Privileges and Immunities) Act 1995

29  Section 3

Insert:

44  A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999 No. , 1999
acquisition has the meaning given by section 195-1 of the GST Act.

30 Section 3
Insert:
approved form has the meaning given by section 995-1 of the Income Tax Assessment Act 1997.

31 Section 3
Insert:
Commissioner means the Commissioner of Taxation.

32 Section 3
Insert:

33 Section 3
Insert:
indirect tax means:
(a) GST within the meaning of section 195-1 of the GST Act; or
(b) luxury car tax within the meaning of section 27-1 of the Luxury Car Tax Act; or
(c) wine equalisation tax within the meaning of section 33-1 of the Wine Equalisation Tax Act.

34 Section 3
Insert:

35 Section 3
Insert:
36 At the end of section 9

Add:

(2) Despite:

(a) section 177-5 of the GST Act; and
(b) section 21-5 of the Luxury Car Tax Act; and
(c) section 27-25 of the Wine Equalisation Tax Act;

indirect tax that would be payable on an importation under one of
those Acts is not payable on an importation covered by an
immunity from taxation (including customs duties) conferred by
the regulations.

37 After section 12

Insert:

12A Indirect tax concession scheme

(1) If:

(a) an acquisition covered by regulations made for the purposes
of this section is made:

(i) by or on behalf of the head of a designated overseas
    mission that has been granted an exemption (to some
    extent) from taxation under the regulations; or
(ii) by a person referred to in section 7, or another person,
     who is covered by regulations made for the purposes of
     this section; and

(b) at the time of the acquisition, it was intended for:

(i) the official use of the mission; or
(ii) a use covered by regulations made for the purposes of
    this section;

the Commissioner must, on behalf of the Commonwealth and
subject to subsection (3), pay to the head of the mission (or a
person in a class of persons determined by the Minister) an amount
equal to the amount of indirect tax payable (if any) in respect of the
supply of that acquisition.

(2) A claim for an amount covered by subsection (1) must be in the
approved form.

(3) The amount is payable:
(a) in accordance with the conditions and limitations; and
(b) within the period and in the manner;
set out in regulations made for the purposes of this section.

(4) Regulations made for the purposes of subsection (3) may permit
the Commissioner to determine the period within which, and the
manner in which, the amount is payable.

(5) A determination under subsection (1) is a disallowable instrument
for the purposes of section 46A of the Acts Interpretation Act 1901.
Schedule 6—Other consequential amendments

**Income Tax Assessment Act 1997**

1 Subsection 995-1(1) (at the end of the definition of Australian government agency)

Add: ; or (c) a local governing body established by or under a "State law or " Territory law.

2 Subsection 995-1(1) (after paragraph (b) of the definition of exempt Australian government agency)

Insert: 

(ba) a local governing body established by or under a "State law or " Territory law whose "ordinary income and "statutory income is exempt from income tax because of Division 50; or

**Petroleum Resource Rent Tax Assessment Act 1987**

3 Section 2

Insert:

acquisition has the meaning given by section 195-1 of the GST Act.

4 Section 2

Insert:

creditable purpose has the meaning given by section 195-1 of the GST Act.

5 Section 2

Insert:

decreasing adjustment has the meaning given by section 195-1 of the GST Act.
6 Section 2

Insert:

GST has the meaning given by section 195-1 of the GST Act.

7 Section 2

Insert:


8 Section 2

Insert:

increasing adjustment has the meaning given by section 195-1 of the GST Act.

9 Section 2

Insert:

input tax credit has the meaning given by section 195-1 of the GST Act.

10 Section 2

Insert:

market value, of a commodity, at a particular time, is its market value reduced by an amount equal to the amount of the input tax credit (if any) to which a person would be entitled if:

(a) the person had acquired the commodity at that time; and
(b) the acquisition had been solely for a creditable purpose.

11 Before section 23 of Division 2 of Part V

Insert:

22B Effect of GST etc. on assessable receipts

(1) For the purposes of this Division, a reference to consideration receivable, to value receivable or to an amount receivable does not include an amount equal to:
Schedule 6  Other consequential amendments

(a) any GST payable on the supply for which the consideration, value or amount was receivable; or
(b) any increasing adjustments that relate to that supply.

(2) For the purposes of this Division, a reference to the sale price of property does not include an amount equal to:
(a) any GST payable on the sale; or
(b) any increasing adjustments that relate to that sale.

(3) For the purposes of this Division, a reference to expenses payable in relation to a sale does not include an amount equal to:
(a) any input tax credit to which you are entitled; or
(b) any decreasing adjustment that you have; in relation to those expenses.

12 Before section 32 of Division 3 of Part V

Insert:

31B Effect of input tax credits etc. on deductible expenditure

For the purposes of this Division, a reference to an amount of expenditure incurred, or a liability incurred, by a person does not include an amount equal to:
(a) any input tax credit to which the person is entitled; or
(b) any decreasing adjustments that the person has; in relation to that expenditure or liability.

13 At the end of paragraphs 44(a) to (h)

Add “or”.

14 After paragraph 44(h)

Insert:
(i) payments of GST under the GST Act; or

50 A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999
No.  , 1999