Wool Tax (No. 2) Amendment Bill 1987

Date Introduced: 30 April 1987
House: House of Representatives
Presented by: Hon. John Kerrin, M.P., Minister for Primary Industry

Digest of Bill

Purpose
To increase the maximum rate of wool tax from 8% to 10% and to set a minimum rate of 5.25%.

Background
There are five Wool Tax Acts which impose tax on various types of shorn wool. For example, the Wool Tax Act (No. 1) 1964 imposes the tax on shorn wool produced in Australia and sold by a broker, while Wool Tax Act (No. 2) 1964 imposes the tax in respect of shorn wool produced in Australia and purchased by a registered dealer from a person other than a broker.

The rate of tax was 8% in 1986-87 and this is estimated to raise $216.3 million in that year. Four per cent of gross returns were allocated to the Market Support Fund to finance the reserve price scheme, while 1% of gross returns that were previously allocated to this source were re-allocated to promotion and research. This bought the percentage allocated to promotion and market administration to 3.5% and that to research to 0.5%.1

Main Provisions
The Bill will operate from 1 July 1987 (clause 2).

The maximum rate of tax that may be prescribed will be increased from 8% to 10% of the sale value of wool by clause 3 which will amend section 5 of the Wool Tax Act (No. 2) 1964, while a minimum rate of 5.25% will be inserted by clause 4 which will amend section 6 of this Act.

Reference

For further information, if required, contact the Economics and Commerce Group.

14 July 1987

Bills Digest Service
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This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.