Income Tax Amendment Bill (No. 2) 1987

Date Introduced: 23 September 1987
House: House of Representatives
Presented by: The Hon. Clive Holding, M.P., Minister for Employment Services and Youth Affairs and Minister Assisting the Treasurer

Digest of Bill

Purpose
To declare formally the rates of tax for 1987-88 and subsequent years.

Background
The amendments contained in this Bill will not affect the rates of tax payable by individuals, companies, trusts etc. The rates of tax for individuals will be as follows:

<table>
<thead>
<tr>
<th>Assessable income($)</th>
<th>Rate(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 5100</td>
<td>0</td>
</tr>
<tr>
<td>5101 - 12 600</td>
<td>24</td>
</tr>
<tr>
<td>12 601 - 19 500</td>
<td>29</td>
</tr>
<tr>
<td>19 501 - 35 000</td>
<td>40</td>
</tr>
<tr>
<td>35 001 upwards</td>
<td>49</td>
</tr>
</tbody>
</table>

The rate of company tax will be 49%.

Previously, annual Bills have been introduced to impose formally the rate of tax. This bill will alter that practice by providing the rate for 1987-88 and subsequent years.

Main Provisions
Clause 3 will amend section 5 of the Income Tax Rates Act 1986 (the principal Act) to remove the reference to section 128T which deals with branch profits tax. This reference is no longer necessary due to the introduction of the imputation scheme. The amendment will apply from 1 July 1986 (clause 6).

Section 7 of the Principal Act (which imposes the rates of tax for 1986-87) will be amended to insert the phrase 'and for all subsequent years' into that section (clause 4).

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

16 October 1987

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

© Commonwealth of Australia 1987

Except to the extent of the uses permitted under the Copyright Act 1968, no part of this publication may be reproduced or transmitted in any form or by any means, including information storage and retrieval system, without the prior written consent of the Department of the Parliamentary Library. Reproduction is permitted by Members of the Parliament of the Commonwealth in the course of their official duties.