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Medicare Levy Amendment Bill 1987

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

Digest of Bill

Purpose
To increase the rate of the medicare levy and the threshold under which the levy is not payable, and to provide for the operation of the rate and threshold in subsequent years.

Background
The increase in the Medicare levy from 1.145% of taxable income to 1.25% was announced by the Treasurer in the 1986-87 Budget speech. In 1987-88, medical benefits provided under Medicare are estimated to cost $3 106 million, while the Medicare levy is estimated to raise $2 065 million. The threshold below which the levy is not payable has been increased annually since the introduction of the scheme.

Main Provisions
The Medicare Levy Act 1986 (the Principal Act) will be amended as set out in the Schedule to the Bill (clause 3) and will apply for 1987-88 and subsequent years (clause 4).

The amendments contained in the Schedule are:

Section 6 of the Principal Act, which deals with the rate of levy, will be amended to substitute 1.25% for 1.145%.
Section 7 of the Principal Act, which deals with the threshold for single people, will be amended to increase the threshold from $8030 to $8980 and to increase the sum to where the levy is phased in to a maximum of 20% of the excess above the threshold, from $8517 to $9578.
Section 8 of the Principal Act, which deals with the threshold for people who have a spouse or dependants, will be amended to increase the threshold from $13 370 to $15 090, while the additional threshold level for each dependant will be increased from $1660 to $2100.
Section 11 of the Principal Act, which deals with the years for which the levy is payable, will be amended to insert the phrase 'and for all subsequent years' into the section.
References
2. Ibid., p. 123.

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

15 October 1987

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

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