DIVIDEND RECOUPMENT TAX BILL 1985

Date Introduced: 27 March 1985
House: House of Representatives
Presented by: Hon. P.J. Keating, M.P., Treasurer

Short Digest of Bill

Purpose

To formally impose the dividend recoupment tax in accordance with the provisions of the Taxation (Unpaid Company Tax) Assessment Amendment Bill 1985.

Background

This Bill is identical to the Dividend Recoupment Tax Bill introduced on 23 August 1983 and later, on 2 May 1984. It imposes the dividend recoupment tax on the dividend amount which is assessed and calculated under the Taxation (Unpaid Company Tax) Assessment Amendment Bill 1985 (Assessment Bill). For a discussion of the background see the Bills Digest for that Bill. This Bill is a complementary piece of legislation fulfilling the Constitutional requirement that an Act imposing taxation must deal only with the imposition of taxation and not the assessment as well.

Main Provisions

The Bill comes into operation on the same day as the Taxation (Unpaid Company Tax) Assessment Amendment Bill 1985 receives Royal Assent.

Clause 5 determines the amount of tax imposed in respect of the deemed dividend or dividend amount arising under the Assessment Bill. The amount varies from 69.62 cents in the dollar for income year commencing 1 July 1971 to 60 cents in the dollar for income year commencing 1 July 1980.

For further information, if required, contact: