Date Introduced: 9 May 1985
House: House of Representatives
Presented by: Hon. P.J. Keating, M.P., Treasurer

Short Digest of Bill

Purpose

To impose sales tax on royalties, payable under Sales Tax Assessment Bill (No. 10) 1985 (Assessment Bill), where that sales tax is technically an excise duty.

Background

This Bill is one of the three taxing Bills associated with the Assessment Bill. For background information refer to Bills Digest No. 85/73.

Under section 55 of the Constitution, laws imposing taxation must deal only with the imposition of taxation. Furthermore, taxation laws must deal only with one subject of taxation and laws imposing excise duties must deal only with excise duties. Similarly, laws imposing customs duties must deal only with customs duties.

Main Provisions

The Bill will come into operation on the date of Royal Assent (clause 2) and is to be read as one with the Assessment Bill (clause 3).

Sales tax is formally imposed by clause 5 on the sale value of goods that are deemed by clause 6 to be sold by a taxpayer after the commencement date of the Act. The amount of royalty paid in respect of the goods is the sale value for the purposes of this Bill and the Assessment Bill.

The rate of tax on royalties will be the same as that levied on their associated goods at the wholesale level (clause 7).

For further information, if required, contact:

Economics and Commerce Group

27 May 1985