WHEAT TAX AMENDMENT BILL 1985

Date introduced: 22 August 1985
House: House of Representatives
Presented by: Hon. John Kerin, M.P., Minister for Primary Industry

DIGEST OF BILL

Purpose

To increase the maximum rate of tax that may be imposed on wheat delivered to the Australian Wheat Board (AWB).

Background

A tax on wheat delivered to the AWB was introduced in 1957 to enable wheatgrowers to contribute to research on wheat diseases, varieties and other matters. The tax provides a central collection process for research funds and has the support of the Australian Wheatgrowers' Federation (AWF). The funds raised are held in trust for research projects and are matched by the Commonwealth on a dollar for dollar basis.

The Wheat Tax Act 1957 (the Principal Act) determines the maximum rate of tax that may be prescribed by regulation rather than the actual rate of tax. The actual rate is determined after consultation with the AWF. Regulations prescribing the rate of tax may only be made after the Governor-General has considered a report by the AWF. The current prescribed rate equals the maximum permitted under the Principal Act. The AWF has recommended an increase in this rate namely, from 30c per tonne to 35c. Revenue collected at the new rate of tax should represent 0.2 per cent of the gross value of the wheat crop.

Main Provisions

The maximum rate of tax per tonne is to be increased from 30c to $1.10 by clause 3.
Remarks

The new maximum rate of $1.10 will mean that industry's contribution to research will be about 0.6 per cent of the industry's Gross Value of Production (GVP). It is, therefore, in keeping with the Government's objective of raising the level of industry contribution to rural research to 0.5 per cent of GVP within 5 years.

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

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LEGISLATIVE RESEARCH SERVICE

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