TAXATION SYSTEM REFORM BILL 1984
(Private Senator's Bill)

Date Introduced: 17 October 1984
House: Senate
Presented by: Senator Jack Evans

Short Digest of Bill

Purpose

To provide for the preparation of legislation for the reform of the Australian taxation system and the introduction of that legislation into Parliament.

Background

The need for taxation reform has been evident at least since the Spooner Committee reported in the early 1950s. The main criticisms of the taxation law, over time, have centred on the non-achievement of equity, efficiency and neutrality. Furthermore, the Income Tax Assessment Act 1936 has become extremely complex in attempting to achieve these goals.

Since the Asprey Report on Taxation Review (1975), other Committees have highlighted the need for taxation reform. These included the Mathews "Committee of Inquiry into Inflation and Taxation" (1975), and the Campbell "Committee of Inquiry into the Australian Financial System" (1981).

Furthermore, during the election campaign for the 1984 Federal elections, the Prime Minister outlined, in his taxation policy statement of 31 October 1984, the Government's intention to conduct a comprehensive review of the taxation system in 1985. One of the processes involved in the review will be the Tax Summit to be held in July 1985.

Main Provisions

By clause 2, the Bill will come into operation on the date of Royal Assent.

Clause 5 provides for the establishment of a Joint Committee on the Reform of the Taxation System to review (under clause 6) the Asprey and Mathews reports, and based
on these reviews and any evidence, to formulate taxation reforms as well as preparing draft legislation.

The Committee is required, by clause 7, to present copies of the draft legislation to the appropriate Minister, the President of the Senate and the Speaker of the House of Representatives before 1 July 1987. The draft legislation is then to be tabled within 15 sitting days (clause 8). Copies of the draft legislation are to be made available for public scrutiny and comment for 12 months (clause 9). Amendments can then be made to incorporate any suggestions or evidence (clause 10). Within 2 years of the tabling of the initial draft, the Committee is required to present copies of the final draft to the Minister (clause 7) who, within 6 months, is to seek the leave of the House of Representatives to introduce the legislation (clause 11).

Part III deals with the Constitution and Proceedings of the Committee. The Committee will consist of 4 Senators and 5 Members (clause 12).

Part IV deals with staff employed for the performance of the Committee's functions. Under clause 22, staff will be employed under the Public Service Act 1922. Consultants may also be engaged (clause 23).

For further information, if required, contact:

Law & Government Group
LEGISLATIVE RESEARCH SERVICE

22 March 1985