INCOME TAX (COMPANIES AND SUPERANNUATION FUNDS) BILL 1980

Date Introduced: 19 August 1980
House: House of Representatives
Presented by: Hon. I.M. Macphee, M.P., Minister Assisting the Treasurer.

Short Digest of Bill

Purpose

To impose income tax for 1980-81 on the 1979-80 incomes of companies, and the 1980-81 incomes of superannuation funds, at the rates declared by the Bill.

Background

Apart from one minor rate change and the different year, the practical effect of this Bill is the same as the Bill of the same name introduced after last year's Budget.

The proposed rate change is for superannuation funds that are taxed in accordance with section 121DA of the Income Tax Assessment Act 1936. These funds, which are broadly in the nature of accumulation trusts, are taxed at the maximum personal rate. The tax on this group will thus be reduced from 61.07% to 60.00% to reflect the decrease in personal tax rates for 1980-81.

Main Provisions

This Bill is to be read as one with the Income Tax Assessment Act 1936 (clause 4).

Rates of income tax declared by this Bill for the 1980-81 financial year are:

- 46% for companies generally (sub-clauses 6(2), (3)),
- 41% for friendly society dispensaries (sub-clause 6(4)),
- 50% for the rate of additional tax payable by a private company on the amount by which dividends paid fall short of sufficient distribution (paragraph 6(3)(b)),
- 50% for trustees of superannuation funds for which tax relief is provided (sub-clause 7(1)).
46% for superannuation funds that do not invest a sufficient proportion of their assets in public securities to qualify for the "30/20" rule (sub-clause 7(2)),

60.00% for trusts qualifying as superannuation funds to which section 121DA of the Assessment Act applies (sub-clause 7(3)).

Clause 5 imposes the tax at these declared rates.

Clause 11 is a technical provision which will enable company tax to be collected in 1980-81 in accordance with Div. IA of Part VI of the Income Tax Assessment Act 1936.