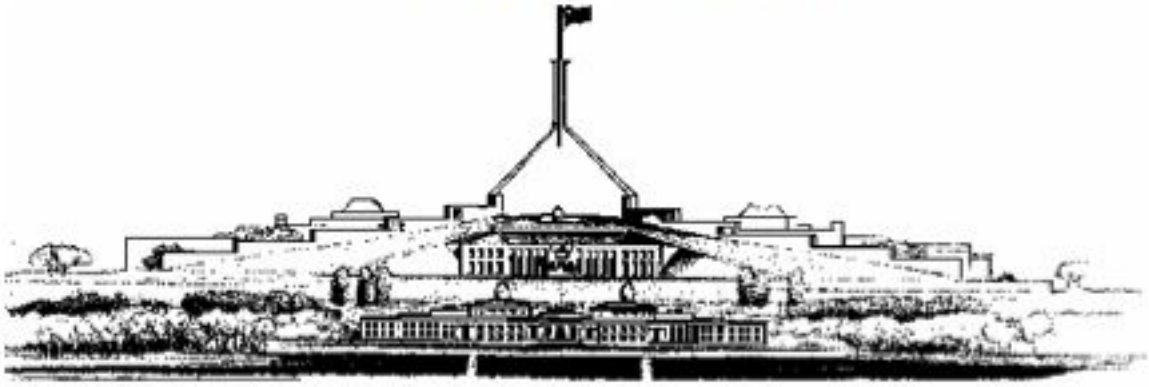
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

A NEW TAX SYSTEM (GOODS AND SERVICES TAX) BILL 1998

A NEW TAX SYSTEM (GOODS AND SERVICES TAX IMPOSITION—EXCISE) BILL 1998

A NEW TAX SYSTEM (GOODS AND SERVICES TAX IMPOSITION —CUSTOMS) BILL 1998

A NEW TAX SYSTEM (GOODS AND SERVICES TAX IMPOSITION —GENERAL) BILL 1998

A NEW TAX SYSTEM (GOODS AND SERVICES TAX ADMINISTRATION) BILL 1998

A NEW TAX SYSTEM (GOODS AND SERVICES TAX TRANSITION) BILL 1998

A NEW TAX SYSTEM (AUSTRALIAN BUSINESS NUMBER) BILL 1998

A NEW TAX SYSTEM (AUSTRALIAN BUSINESS NUMBER CONSEQUENTIAL AMENDMENTS) BILL 1998

A NEW TAX SYSTEM (END OF SALES TAX) BILL 1998

A NEW TAX SYSTEM (PERSONAL INCOME TAX CUTS) BILL 1998

A NEW TAX SYSTEM (COMPENSATION MEASURES LEGISLATION AMENDMENT) BILL 1998

A NEW TAX SYSTEM (BONUSES FOR OLDER AUSTRALIANS) BILL 1998

A NEW TAX SYSTEM (INCOME TAX LAWS AMENDMENT) BILL 1998

A NEW TAX SYSTEM (AGED CARE COMPENSATION MEASURES LEGISLATION AMENDMENT) BILL 1998

A NEW TAX SYSTEM (TRADE PRACTICES AMENDMENT) BILL 1998

In Committee

SPEECH

Friday, 30 April 1999

BY AUTHORITY OF THE SENATE

SPEECH

Date	Friday, 30 April 1999	**Source**	Senate
Page	4658	**Proof**	No
Questioner		**Responder**	
Speaker	Murray, Sen Andrew	**Question No.**	

Senator MURRAY (WA) (11.26 am)—We have moved to government amendments Nos 1 to 3 on sheet FA209 which are being moved together by the government. Part 2.6, which is being amended by these amendments, deals with tax periods and the general rule is that a tax period is three months, ending on 31 March, 30 June, 30 September or 31 December. I note that those are months, not weekly periods or an accumulation of weekly periods.

A person can elect to have a tax period of one month. If the business has turnover in excess of $20 million it has a tax period of one month. Amendment 1 from the government is an amendment to the heading of clause 27-30 to more accurately reflect the content of that clause, and that seems straightforward. Amendment 3 inserts a new clause which obliges the commissioner to revoke a determination if any of the requirements of that clause are not complied with, and that seems straightforward.

But I have a question concerning amendment 2, Minister. Amendment 2 inserts new clause 27-37 which permits the Commissioner of Taxation to determine special tax periods for businesses with a turnover of more than $20 million. The specification of the period must still result in 12 complete tax periods for the year. The explanatory memorandum provides the example of some entities having 12 accounting periods which do not necessarily coincide with calendar months—in other words, some will be four weeks and others five weeks; that is why I drew your attention to the difference between periods which are set with months as opposed to those which are set with weeks.

Minister, page 8 of the explanatory memorandum, at point 1.5, gives the example that some entities have 13 four-week accounting periods, and clause 27-37 provides that the determination must result in 12 complete tax periods. Does that mean at least 12 complete tax periods? If not, how will businesses that have 13 four-weekly accounting periods, as specified in your example, be assisted by this amendment? In other words, is there any difficulty for companies which have 13 four-weekly accounting periods as compared with the legislation, which specifies 12 complete tax periods?