THE SENATE

BILLS

Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016

In Committee

SPEECH

Wednesday, 4 May 2016

BY AUTHORITY OF THE SENATE
Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:38): by leave—I move all government amendments together:

(1) Schedule 2, item 3, page 24 (before line 1), at the end of subsection 9#26(1), add:

Note: This subsection does not apply to supplies made by a non#resident through a resident agent if they have agreed it is not to apply: see section 57#7.

(2) Schedule 2, page 25 (after line 14), after item 3, insert:

3A Section 9 #39 (after table item 8)

Insert:

8AA Resident agents acting for non#residents Division 57

(3) Schedule 2, page 25 (after line 28), after item 5, insert:

5A After section 57 #5

Insert:

57 #7 Agreement to apply this Division to all supplies through a resident agent

(1) Subsection 9#26(1) does not apply to a supply made by a *non#resident through a *resident agent if:

(a) section 57#5 would apply to the supply if that subsection did not apply to the supply; and

(b) the non#resident and the agent have agreed in writing that that subsection will not apply to any supplies made by the non#resident through the agent; and

(c) the supply is made no earlier than:

(i) if the agreement specifies a time (not earlier than the start of the day the agreement is made) as the time the agreement takes effect—that time; or

(ii) otherwise—the start of the day the agreement is made.

Note: An agreement under paragraph (1)(b) prevents subsection 9#26(1) having the effect that the supply would not be connected with the indirect tax zone (that subsection could otherwise result in the GST on the supply being reverse charged to the recipient under Division 84).

(2) If the *recipient of the supply is an *Australian#based business recipient, the recipient must be given a notice in the *approved form by:

(a) if the agreement referred to in paragraph (1)(b) specifies that the *non#resident is to give the notice—the non#resident; or

(b) otherwise—the *resident agent.

(3) The notice must be given no later than 7 days after the earlier of:

(a) the first day any of the *consideration for the supply is provided; or
(b) the day on which an *invoice for the supply is issued.

Note: Subsection 286#75(7) in Schedule 1 to the Taxation Administration Act 1953 provides an administrative penalty for breach of subsection (2) or this subsection.

(4) If the *non#resident and the agent agree in writing to terminate the agreement referred to in paragraph (1) (b), this section ceases to apply:

(a) if the agreement to terminate specifies a time (not earlier than the start of the day the agreement to terminate is made) as the time the termination takes effect—at that time; or

(b) otherwise—at the start of the day the agreement to terminate is made.

(4) Schedule 2, Part 1, page 29 (after line 2), at the end of the Part, add:

Taxation Administration Act 1953

17A At the end of section 286 #75 in Schedule 1

Add:

(7) You are also liable to an administrative penalty if:

(a) you are required under subsections 57#7(2) and (3) of the A New Tax System (Goods and Services Tax) Act 1999 to notify another entity by a particular day; and

(b) you do not give the notice in the *approved form to the entity by that day.

The TEMPORARY CHAIRMAN ( Senator Whish-Wilson ): The question is that the amendments (1), (2), (3) and (4) on sheet LL145 be agreed to.