



**Sales Tax Legislation Amendment Act  
(No. 1) 1999**

**No. 33, 1999**



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**An Act to amend the law relating to taxation**

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# Sales Tax Legislation Amendment Act (No. 1) 1999

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## An Act to amend the law relating to taxation

[Assented to 14 May 1999]

The Parliament of Australia enacts:

### 1 Short title

This Act may be cited as the *Sales Tax Legislation Amendment Act (No. 1) 1999*.

### 2 Commencement

- (1) This Act commences on the day on which it receives the Royal Assent.

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- (2) Items 1 to 6, 9 and 10 of Schedule 2 commence on a day to be fixed by Proclamation.

### **3 Schedule(s)**

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Exemptions for space objects and goods imported by Olympians**

### ***Sales Tax Assessment Act 1992***

#### **1 At the end of table 3A in Schedule 1**

Add:

<b>TCR5</b>	Transitional credit for space objects	Claimant has borne tax on a tax bearing dealing with goods. The claimant was not entitled to quote for the dealing, but would have been if exemption Item 196 had been in force at the time of the dealing.	dealings with goods on or after 23 June 1998 and before the commencement of item 2 of Schedule 1 to the <i>Sales Tax Legislation Amendment Act (No.1) 1999</i>	the tax borne to the extent that the claimant has not passed it on	at the commencement of item 2 of Schedule 1 to the <i>Sales Tax Legislation Amendment Act (No. 1) 1999</i>
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## Schedule 1 Exemptions for space objects and goods imported by Olympians

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<b>TCR6</b>	Transitional credit for goods imported by Olympians etc.	Claimant has borne tax on a tax bearing dealing with goods. The claimant was not entitled to quote for the dealing, but would have been if exemption Item 197 had been in force at the time of the dealing.	dealings with goods on or after 1 March 1998 and before the commencement of item 2 of Schedule 1 to the <i>Sales Tax Legislation Amendment Act (No. 1) 1999</i>	the tax borne to the extent that the claimant has not passed it on	at the commencement of item 2 of Schedule 1 to the <i>Sales Tax Legislation Amendment Act (No.1) 1999</i>
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### *Sales Tax (Exemptions and Classifications) Act 1992*

#### **2 At the end of Schedule 1**

Add:

#### **Item 196: [Space objects etc.]**

(1) Goods consisting of:

- (a) a vehicle (the *launch vehicle*) that can, or is intended to be able to, carry a payload into or back from outer space; or
- (b) a payload, or other goods, that a launch vehicle is to carry into or back from outer space;

or any part of such a thing, even if:

- (c) the part is to go only some of the way towards or back from outer space; or
- (d) the part results from the separation of a payload or payloads from a launch vehicle after launch.

[Parts]

(2) Goods for use by a person exclusively as raw materials in the construction or repair of goods covered by subitem (1).



(3) In this Item,

*payload* includes a load to be carried for testing purposes or otherwise on a non-profit basis.

**Item 197: [Goods imported by Olympians etc.]**

Imported goods, if they are covered by item 64 in Schedule 4 to the Customs Tariff.

[local entry only]

**3 Application**

The amendment made by item 2 applies to dealings after the commencement of that item.

## Schedule 2—Part 7A goods

### *Sales Tax Assessment Act 1992*

#### **1 Paragraph 30(1)(b)**

After “assessable goods”, insert “and, if the goods are Part 7A goods, one of the conditions in subsection 32A(1) is satisfied”.

#### **2 Paragraph 30(1)(c)**

After “assessable goods”, insert “and, if the goods are Part 7A goods, one of the conditions in subsection 32A(1) is satisfied”.

#### **3 Paragraph 30(2)(b)**

After “assessable goods”, insert “and, if the goods are Part 7A goods, one of the conditions in subsection 32A(1) is satisfied”.

#### **4 Paragraph 32(a)**

After “them”, insert “and, if the goods are Part 7A goods, one of the conditions in subsection 32A(1) is satisfied”.

#### **5 Paragraph 32(b)**

After “used”, insert “and, if the goods are Part 7A goods, one of the conditions in subsection 32A(1) is satisfied”.

#### **6 After section 32**

Insert:

#### **32A Conditions for Part 7A goods**

- (1) The following are the conditions for Part 7A goods (one of which must be satisfied):
  - (a) the purchaser, or lessee, is accredited;
  - (b) in the case of a purchase—the purchaser is not acquiring the goods for resale and satisfies the low export purchase value test (see subsections (2) and (3)) in relation to that sale;
  - (c) the sale, or lease, is made in prescribed circumstances;

- (d) the seller, or lessor, satisfies the Commissioner that he or she was satisfied on reasonable grounds that paragraph (a), (b) or (c) applied.
- (2) For a person to satisfy the low export purchase value test in relation to a dealing (the **current dealing**), the total of the value of:
- (a) the current dealing; and
  - (b) all other acquisitions of Part 7A goods for which the person quoted, or which were not taxable because of section 30 or 32, in the 12 months before the current dealing;
- must be less than \$6,000 or such other amount as is prescribed.
- (3) In addition, the person must have an expectation (based on reasonable grounds) that the total of the value of all acquisitions of Part 7A goods by the person in the 12 months after the current dealing for which the person will quote, or which will not be taxable because of section 30 or 32, will be less than \$6,000 or such other amount as is prescribed.
- (4) For a person (the **seller**) to be satisfied that another person (the **purchaser**) satisfies the low export purchase value test in relation to a dealing, the seller must obtain from the purchaser a signed statement, in a form approved in writing by the Commissioner, that the purchaser satisfies the low purchase value test in relation to the dealing.
- (5) A person must not, in relation to any dealing with goods, falsely represent that the person satisfies the low export purchase value test in relation to that dealing.

Penalty: 50 penalty units.

## 7 Subsection 91C(1) (table)

Repeal the table, substitute:

<b>Part 7A goods</b>		
<b>Item</b>	<b>Description of goods</b>	<b>Tariff classification</b>
1	Personal computers	8471.41.00

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2	Personal computers in the form of systems	8471.49.00
3	Processing units for personal computers	8471.50.00
4	Laptops, Notebooks, Palmtops	8471.30.00
5	Monitors	8471.60.00
6	Keyboards	8471.60.00
7	Printers (dot matrix)	8471.60.00
8	Printers (ink jet)	8471.60.00
9	Printers (laser)	8471.60.00
10	CD drives	8471.70.00
11	Hard drives	8471.70.00
12	Floppy drives	8471.70.00
13	Motherboards	8473.30.00
14	Memory	8473.30.00
15	Controller cards	8473.30.00
16	Modems	8517.50.00

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**8 Section 91 (penalty)**

Omit "\$2,000", substitute "50 penalty units".

**9 Paragraph 91S(2)(b)**

After "quoted", insert ", or which were not taxable because of section 30 or 32,".

**10 Subsection 91S(3)**

After "quote", insert ", or which will not be taxable because of section 30 or 32,".

**11 Subsection 91ZE(1) (penalty)**

Omit "20", substitute "50".

**12 Application**

- (1) The amendments made by items 1 to 6, 9 and 10 apply to dealings after the commencement of those items.
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- (2) The amendment made by item 7 applies to dealings on or after the day on which the Bill that became the *Sales Tax Legislation Amendment Act (No. 1) 1999* was introduced into the House of Representatives.
- (3) The amendments made by items 8 and 11 apply to dealings after the commencement of those items.

## Schedule 3—Temporary importation of goods

### *Sales Tax Assessment Act 1992*

#### **1 After section 9A**

Insert:

#### **9B Goods temporarily imported: affects meaning of *Australian-used goods***

- (1) This section applies if:
  - (a) Australian-used goods that were the subject of a dealing covered by section 51A have been exported; and
  - (b) the goods are later imported.
- (2) In applying the sales tax law at or after the time of the importation, the goods are not taken to be Australian-used goods only because of an AOU of the goods that happened before they were exported as mentioned in paragraph (1)(a).

#### **2 At the end of Part 3**

Add:

### **Division 5—Tax not payable on certain dealings**

#### **51A Goods brought into Australia on a temporary basis**

- (1) Tax is not payable on a dealing that is a local entry of goods if:
  - (a) subsection 162(1) of the *Customs Act 1901* applies to the goods; and
  - (b) a Collector has been given a security or an undertaking, to the satisfaction of the Collector, for the payment of an amount equal to the sales tax that would otherwise have been payable for the dealing; and
  - (c) the Collector has granted permission under that subsection to take delivery of the goods; and

- (d) the applicable provisions of regulations made under section 162 of that Act are complied with.
- (2) A security or an undertaking given under paragraph (1)(b) in respect of a dealing with goods may be enforced according to its tenor if:
- (a) the goods have been dealt with in a manner that is not in compliance with subsection (1); or
  - (b) the goods are exported, otherwise than in accordance with subregulation 124(3) of the Customs Regulations; or
  - (c) the goods are not exported within the time provided under subsection 162(3) of the *Customs Act 1901*.

A security must be returned to the person who gave it, and an undertaking may not be enforced, if the goods are exported and none of the above paragraphs apply.

- (3) Tax is not payable on a dealing that is a local entry of goods if:
- (a) subsection 162A(1) of the *Customs Act 1901* applies to the goods; and
  - (b) the Chief Executive Officer of Customs has accepted a security or an undertaking for the payment of an amount equal to the sales tax that would otherwise have been payable for the dealing; and
  - (c) a Collector has granted permission under subsection 162A(2) of that Act to take delivery of the goods.
- (4) A security or an undertaking given under paragraph (3)(b) in respect of a dealing with goods may be enforced according to its tenor if:
- (a) the goods are dealt with in a manner inconsistent with subregulation 125B(1) of the Customs Regulations without the consent of the Chief Executive Officer of Customs; or
  - (b) paragraph 162A(5)(a) or (b) of the *Customs Act 1901* applies to the goods.

A security must be returned to the person who gave it, and an undertaking may not be enforced, if the goods are exported and neither of the above paragraphs apply.

(5) Tax is not payable on a dealing that is a local entry of goods if the goods are specified in an instrument in force under subregulation 125A(2) of the Customs Regulations unless the goods are dealt with in a manner inconsistent with subregulation 125B(2) of the Customs Regulations.

(6) In this section:

*Collector* means a Collector for the purposes of the *Customs Act 1901*.

### **3 Schedule 1, Table 2 (cell at table row dealing with LE14, column [2])**

Repeal the cell, substitute:

the goods are delivered to a person who has given a security or undertaking under section 51A for the payment of an amount equal to the sales tax that would otherwise have been payable for the dealing

### **4 Application**

The amendments made by this Schedule apply to dealings after 7.30 pm, by legal time in the Australian Capital Territory, on 13 May 1997.

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[*Minister's second reading speech made in—  
House of Representatives on 3 December 1998  
Senate on 17 February 1999*]

(233/98)

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