



A New Tax System (Personal Income Tax Cuts) Act 1999

No. 69, 1999



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An Act to implement A New Tax System by reducing personal income tax rates and increasing family tax assistance, and for other purposes

Contents

1	Short title.....	1
2	Commencement.....	1
3	Schedule(s).....	2
Schedule 1—Amendment of the Income Tax Rates Act 1986		3
Schedule 2—Consequential amendments of other Acts		7
	<i>Income Tax Assessment Act 1936</i>	7
	<i>Income Tax Assessment Act 1997</i>	7
Schedule 3—Application		8



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An Act to implement A New Tax System by reducing personal income tax rates and increasing family tax assistance, and for other purposes

[Assented to 8 July 1999]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *A New Tax System (Personal Income Tax Cuts) Act 1999*.

2 Commencement

(1) This Act commences, or is taken to have commenced:

-
- (a) after all the Acts listed in subsection (2) have received the Royal Assent; and
 - (b) on the day after the last day on which any of those Acts received the Royal Assent.
- (2) These are the Acts that must have received the Royal Assent for this Act to commence:
- (a) the *A New Tax System (Goods and Services Tax) Act 1999*;
 - (b) the *A New Tax System (Goods and Services Tax Administration) Act 1999*;
 - (c) the *A New Tax System (Goods and Services Tax Imposition—Excise) Act 1999*;
 - (d) the *A New Tax System (Goods and Services Tax Imposition—Customs) Act 1999*;
 - (e) the *A New Tax System (Goods and Services Tax Imposition—General) Act 1999*.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—Amendment of the Income Tax Rates Act 1986

1 Paragraph 20C(1)(b)

Omit “taxpayers”, substitute “taxpayer’s”.

2 Subsection 20C(1)

After “Schedule 7”, insert “(as in force immediately before the commencement of the *A New Tax System (Personal Income Tax Cuts) Act 1999*)”.

3 Paragraph 20C(2)(a)

Omit “1997-98”, substitute “2000-01”.

4 Paragraph 20C(2)(b)

Omit “taxpayers”, substitute “taxpayer’s”.

5 Subsection 20C(2)

Omit “\$1,000”, substitute “\$2,000”.

6 Paragraph 20D(1)(b)

Omit “taxpayers” (wherever occurring), substitute “taxpayer’s”.

7 Subsection 20D(1)

After “Schedule 7”, insert “(as in force immediately before the commencement of the *A New Tax System (Personal Income Tax Cuts) Act 1999*)”.

8 Paragraph 20D(2)(a)

Omit “1997-98”, substitute “2000-01”.

9 Paragraph 20D(2)(b)

Omit “taxpayers” (wherever occurring), substitute “taxpayer’s”.

10 Subsection 20D(2)

Omit “\$2,500”, substitute “\$5,000”.

11 Subsection 20E(2) (table)

Repeal the table, substitute:

Tax rates for resident taxpayer	
Column 1	Column 2
For the part of the ordinary taxable income of the taxpayer that:	The rate is:
exceeds \$20,000 but does not exceed the adjusted tax-free threshold	13%
exceeds the adjusted tax-free threshold but does not exceed \$50,000	30%
exceeds \$50,000 but does not exceed \$60,000	42%
exceeds \$60,000	47%

Note: The heading to section 20E is altered by omitting “\$20,700” and substituting “\$20,000”.

12 Subsection 20S(3)

Omit “\$1,000” (wherever occurring), substitute “\$2,000”.

13 After subsection 20T(3)

Omit “\$2,500” (wherever occurring), substitute “\$5,000”.

14 Clause 1 of Part I of Schedule 7 (table)

Repeal the table, substitute:

Tax rates for resident taxpayer	
Column 1	Column 2
For the part of the ordinary taxable income of the taxpayer that:	The rate is:
exceeds \$6,000 but does not exceed \$20,000	17%
exceeds \$20,000 but does not exceed \$50,000	30%
exceeds \$50,000 but does not exceed \$60,000	42%
exceeds \$60,000	47%

15 Clause 1 of Part II of Schedule 7 (table)

Repeal the table, substitute:

Tax rates for non-resident taxpayer	
Column 1	Column 2
For the part of the ordinary taxable income of the taxpayer that:	The rate is:
does not exceed \$20,000	29%
exceeds \$20,000 but does not exceed \$50,000	30%
exceeds \$50,000 but does not exceed \$60,000	42%
exceeds \$60,000	47%

16 Amendment of listed provisions

Each of the following provisions is amended by omitting “\$5,400” (wherever occurring) and substituting “\$6,000”:

- Paragraphs 12A(3)(b) and (4)(b)
- Subsection 12A(6) (definitions of *adjusted tax-free threshold* and *tax-free threshold increase*)
- Subsections 20(1) and (2)
- Subsection 20C(2)
- Subsection 20D(2)
- Subsection 20E(3) (definitions of *adjusted tax-free threshold* and *tax-free threshold increase*)
- Subsection 20F(3) (definition of *tax-free threshold increase*)
- Subsection 20G(5) (definitions of *tax-free threshold* and *tax-free threshold increase*)
- Section 20H (definition of *tax-free threshold increase*)
- Subsection 20U(1) (definitions of *section 20C tax-free threshold increase* and *section 20D tax-free threshold increase*)
- Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8
- Paragraph 2(b) of Part I of Schedule 10

17 Amendment of listed provisions

Each of the following provisions is amended by omitting “\$20,700” (wherever occurring) and substituting “\$20,000”:

Subsection 20E(1)

Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8

Paragraph 2(b) of Part I of Schedule 10

Schedule 2—Consequential amendments of other Acts

Income Tax Assessment Act 1936

1 Amendment of listed provisions

Each of the following provisions is amended by omitting “\$5,400” (wherever occurring) and substituting “\$6,000”:

Subsection 23AF(17E) (definition of *tax free threshold increase*)

Subsection 23AG(5B) (definition of *tax free threshold increase*)

Paragraph 221YDA(1)(g)

Subparagraph 221YDA(2)(a)(iv)

Income Tax Assessment Act 1997

2 Paragraph 388-55(2)(a)

Omit “\$20,700”, substitute “\$20,000”.

3 Paragraphs 388-60(1)(a) and (b)

Omit “34%”, substitute “30%”.

Schedule 3—Application

1 Application

- (1) Subject to subitem (2), the amendments made by this Act (except items 1, 2, 4, 6, 7 and 9 of Schedule 1) apply to assessments for the 2000-2001 income year and later income years.
- (2) The amendments of paragraph 221YDA(1)(g) and subparagraph 221YDA(2)(a)(iv) of the *Income Tax Assessment Act 1936* made by item 1 of Schedule 2 to this Act apply for the purposes of working out amounts of provisional tax (including instalments) payable for the 2000-2001 income year and later income years.

*[Minister's second reading speech made in—
House of Representatives on 2 December 1998
Senate on 10 December 1998]*

(214/98)