



A New Tax System (Commonwealth-State Financial Arrangements) Amendment Act 2004

No. 21, 2004

***An Act to amend the *A New Tax System
(Commonwealth-State Financial Arrangements) Act
1999*, and for related purposes***

Note: An electronic version of this Act is available in SCALEplus
(<http://scaleplus.law.gov.au/html/comact/browse/TOCN.htm>)

Contents

1	Short title.....	1
2	Commencement.....	2
3	Schedule(s).....	2

Schedule 1—Amendment of the A New Tax System (Commonwealth-State Financial Arrangements) Act 1999

Part 1—Taking refunds into account in determining GST revenue	3
Part 2—Timing of determinations	5
Part 3—Residual adjustments for GST transitional years	6



A New Tax System (Commonwealth- State Financial Arrangements) Amendment Act 2004

No. 21, 2004

**An Act to amend the *A New Tax System
(Commonwealth-State Financial Arrangements) Act
1999*, and for related purposes**

[Assented to 23 March 2004]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *A New Tax System
(Commonwealth-State Financial Arrangements) Amendment Act
2004*.

2 Commencement

This Act commences on the day on which it receives the Royal Assent.

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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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 A New Tax System (Commonwealth-State Financial Arrangements) Act 1999

Part 1—Taking refunds into account in determining GST revenue

1 Subsection 5(4)

Repeal the subsection, substitute:

(4) The matters are:

(a) the amount that was paid under the GST refund provisions;
and

(b) the amount that was payable under the GST refund provisions and that (rather than being paid directly under those provisions) was allocated, applied or refunded in accordance with Part IIB of the *Taxation Administration Act 1953*;

to the extent that the amounts are attributable to GST.

2 Subsection 5(6)

Insert:

GST refund provision means a provision of a Commonwealth law the effect of which is to require the Commonwealth to refund some or all of an amount of GST that has been paid, whether or not the provision also applies in relation to other kinds of tax.

Note: The capacity for new GST refund provisions to be created is limited by section 11, which requires each State's agreement for changes to the GST base.

3 Application of amendments

- (1) If this Part commences before 1 June in a GST year, the amendments made by this Part apply in relation to that GST year and later GST years.
 - (2) If this Part commences on or after 1 June in a GST year, the amendments made by this Part apply in relation to the next GST year and later GST years.
-

Schedule 1 Amendment of the A New Tax System (Commonwealth-State Financial Arrangements) Act 1999

Part 1 Taking refunds into account in determining GST revenue

- (3) However, the amendments do not apply for the purpose of making a determination that relates to an actual amount for June in a GST year if the amendments did not apply for the purpose of making a determination that related to the estimated amount for June in that GST year.
- (4) In this item:
GST year has the same meaning as it has in the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*.

Part 2—Timing of determinations

4 Subsection 5(5)

Omit “15 June”, substitute “20 June”.

5 Subsection 6(1) (definition of *applicable reduction*)

Omit “10 June”, substitute “6 June”.

6 Subsection 6(1) (definition of *sum of deductible amounts*)

Omit “10 June”, substitute “6 June”.

7 Subsection 6(1) (definition of *total amount payable*)

Omit “10 June”, substitute “6 June”.

8 Subsection 7(1)

Omit “10 June”, substitute “6 June”.

9 Subclause 2(1) of Schedule 1

Omit “10 June”, substitute “20 June”.

10 Application of amendments

- (1) If this Part commences before 1 June in a GST year, the amendments made by this Part apply in relation to that GST year and later GST years.
- (2) If this Part commences on or after 1 June in a GST year, the amendments made by this Part apply in relation to the next GST year and later GST years.
- (3) In this item:
GST year has the same meaning as it has in the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*.

Part 3—Residual adjustments for GST transitional years

11 Clause 1 of Schedule 1

Omit “and 6”, substitute “, 6 and 7”.

12 At the end of Schedule 1

Add:

7 Residual adjustment amounts for grants under clause 6

- (1) The Treasurer must, in relation to each GST year to which clause 6 applies (including any such year that has ended before the commencement of this clause), determine whether there is a residual adjustment amount for a State for the GST year. A residual adjustment amount may be either an amount that is recoverable from, or an amount that is payable to, the State.
- (2) A determination under subclause (1) must be made in a manner agreed by the Commonwealth and all of the States.
- (3) If a residual adjustment amount for a State for a GST year is an amount that is recoverable from the State, the Treasurer must deduct an amount or amounts equal in total to the residual adjustment amount from an amount or amounts the State is entitled to receive by way of financial assistance under this Act for the GST year in which the determination of the amount is made or the next GST year.
- (4) If a residual adjustment amount for a State for a GST year is an amount that is payable to the State, the Treasurer must add an amount or amounts equal in total to the residual adjustment amount to an amount or amounts the State is entitled to receive by way of financial assistance under this Act for the GST year in which the determination of the amount is made or the next GST year.
- (5) The Treasurer may, by signed writing, delegate to an SES employee in the Department all or any of the Treasurer’s functions under subclauses (1), (3) and (4). The delegate must perform a delegated function subject to any directions of the Treasurer.

*[Minister's second reading speech made in—
House of Representatives on 4 December 2003
Senate on 1 March 2004]*

(202/03)

A New Tax System (Commonwealth-State Financial Arrangements) Amendment Act 2004 No.
21, 2004 7