

**Fringe Benefits Tax Act 1986**

**No. 40 of 1986**

**An Act to impose a tax in respect of the value of certain fringe benefits provided in respect of the employment of** **employees**

[*Assented to 24 June 1986*]

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

**Short title**

**1.** This Act may be cited as the *Fringe Benefits Tax Act 1986.*

**Commencement**

**2.** This Act shall come into operation on the day on which the *Fringe Benefits Tax Assessment Act 1986* comes into operation.

**Incorporation**

**3.** The *Fringe Benefits Tax Assessment Act 1986* is incorporated and shall be read as one with this Act.

**Act to bind Crown**

**4.** This Act binds the Crown in right of each of the States, of the Northern Territory and of Norfolk Island.

**Imposition of tax**

**5.** Tax is imposed in respect of the fringe benefits taxable amount of an employer of a year of tax.

**Rates of tax**

**6.** The rate of tax in respect of the fringe benefits taxable amount of an employer of a year of tax is—

(a) in the case of the year of tax that commences on 1 July 1986—46%; and

(b) in the case of the year of tax that commences on 1 April 1987 or a subsequent year of tax—49%.

**Severability**

**7.** It is the intention of the Parliament that if, but for this section, section 5 of this Act would impose a tax on property of any kind belonging to a State within the meaning of section 114 of the Constitution, section 5 of this Act shall have effect as if it did not impose that tax.

[*Minister’s second reading speech made in—*

*House of Representatives on 2 May 1986*

*Senate on 27 May 1986*]