

**Sales Tax Laws Amendment Act (No. 1) 1996**

**No. 68, 1996**

**An Act to amend the law relating to sales tax**

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**Sales Tax Laws Amendment Act (No. 1) 1996**

**No. 68, 1996**

**An Act to amend the law relating to sales tax**

[Assented to 3 December 1996]

The Parliament of Australia enacts:

**1 Short title**

This Act may be cited as the *Sales Tax Laws Amendment Act (No. 1) 1996*.

2 Commencement

This Act is taken to have commenced at 3.15 pm, by standard time in the Australian Capital Territory, on 11 June 1996.

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**3 Schedule(s)**

Each Act that is specified in a Schedule to this Act is amended 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—Amendments**

***Sales Tax Assessment Act 1992***

**1 Section 5 (definition of *always-exempt*** person)

Omit “the person;”, substitute:

the person. For the purposes of this definition, it is to be assumed that the following provisions of Schedule l to the Exemptions and Classifications Act had not been enacted:

(a) subitem 64(2);

(b) subitem 126(2A);

(c) subitem 126A(2);

(d) subitem 127(1a);

(e) subitem 128(2);

(f) subitem 130(2).

**2 Section 5**

Insert:

***goods for use as part of a car remuneration package*** has the meaning given by section 15E.

**3 After section 15D**

Insert*:*

**15E Goods for use as part of a car remuneration package**

(1) This section sets out the 2 circumstances in which goods are taken to be used, or for use, by a person as part of a car remuneration package.

*Circumstance 1—cars*

(2) Goods are used, or are for use, by a person as part of a car remuneration package if:

(a) the goods are a car; and

(b) the person uses, or proposes to use, the car, to any extent, to provide car benefits to any or all of the following:

(i) an employee of the person;

(ii) an associate ofan employee referred to in subparagraph (i);

(iii) an employee of an associate of the person;

(iv) an associate of an employee referred to in subparagraph (iii).

*Circumstance 2—parts or accessories for cars*

(3) Goods are for use by a person as part of a car remuneration package if:

(a) the goods are parts or accessories for a car; and

(b) the car is used, or is for use, by the person as part of a car remuneration package; and

(c) an assessable dealing with the car occurred, or will occur, after the commencement of this section.

*Modifications of fringe benefits tax rules*

(4) For the purposes of this section, the following assumptions are to be made about the Fringe Benefits Tax Assessment Act 1986:

(a) it is to be assumed that the application of a car to a private use, or the availability of a car for private use, does not give rise to a car benefit if the application or availability, as the case may be:

(i) related exclusively to work-related travel of the employee concerned; or

(ii) was minor, infrequent and irregular;

(b) it is to be assumed that motor cycles and similar vehicles were not excluded from the definition of **car** in subsection 136(1) of that Act;

(c) it is to be assumed that paragraphs (d) and (e) of the definition of **employer** in subsection 136(1) of that Act had not been enacted.

Note 1: Paragraph (d) excludes the Commonwealth from the definition of **employer**.

Note 2: Paragraph (c) excludes an authority of the Commonwealth that cannot, by a law of the Commonwealth, be made liable to taxation by the Commonwealth, from the definition of **employer**.

Members of local governing bodies not excluded

(5) For the purposes of this section, the meaning of an expression used in the Fringe Benefits Tax Assessment Act 1986 is to be determined as if paragraph (pa) of the definition of **salary or wages** in subsection 221A(1) of the Income Tax Assessment Act 1936 had not been enacted.

Note: Paragraph (pa) excludes remuneration or allowances paid to members of certain local governing bodies from the definition of salary or wages.

*Definitions*

(6) In this section:

**application to private use,** in relation to a car, has the same meaning as in the Fringe Benefits Tax Assessment Act 1986.

**associate** has the same meaning as in the Fringe Benefits Tax Assessment Act 1986.

**availability for private use,**in relation to a car, has the same meaning as in the Fringe Benefits Tax Assessment Act 1986.

**car** has the same meaning as in the Fringe Benefits Tax Assessment Act 1986.

**car benefit** has the same meaning as in the Fringe Benefits Tax Assessment Act 1986.

**employee** has the same meaning as in the Fringe Benefits Tax Assessment Act 1986.

**work-related travel** has the same meaning as in the Fringe Benefits Tax Assessment Act 1986.

4 After section 129

Insert:

**129A Notional application of sales tax to the Commonwealth**

(1) The object of this section is to provide for the notional application of sales tax to the Commonwealth.

(2) The Commonwealth is not liable to pay sales tax.

(3) The sales tax law (other than a law that imposes sales tax) applies in all other respects as if the Commonwealth were liable to pay sales tax. This rule has effect subject to any applicable exemption Items.

(4) Subsection 14ZX(4), section 14ZZ and Divisions 4 and 5 of Part IVC of the Taxation Administration Act 1953 do not apply to the Commonwealth.

(5) The Minister for Finance may give such written directions as are necessary or convenient to be given for carrying out or giving effect to this section and, in particular, may give directions in relation to the transfer of money within the Public Account.

(6) Directions under subsection (5) have effect, and must be complied with, despite any other law of the Commonwealth.

(7) This section does not make the Commonwealth liable to pay a penalty or to be prosecuted for an offence.

(8) A reference in this section to the **Commonwealth** includes a reference to an authority of the Commonwealth that cannot, by a law of the Commonwealth, be made liable to taxation by the Commonwealth.

5 Subsection 130(2)

After “apply”, insert “in relation to goods (other than goods for use by the authority as part of a car remuneration package)”.

6 After subsection 130(2)

Insert*:*

(2A) The cancellation does not apply in relation to goods for use by the authority as part of a car remuneration package if the provision of the other Act:

(a) is enacted after 13 May 1987; and

(b) refers specifically to sales tax in relation to goods for use by the authority as part of a car remuneration package.

7 Application

The amendments of the Sales Tax Assessment Act 1992 made by this Schedule apply to dealings with goods after the commencement of this item.

Sales Tax (Exemptions and Classifications) Act 1992

8 At the end of Item 64 of Schedule 1

Add:

(2) This Item does not cover goods for use by the authority as part of a car remuneration package.

9 After subitem 126(2) of Schedule 1

Insert:

(2A) This Item does not cover goods for use by an Australian government, or by an authority, as part of a car remuneration package.

**10 At the end of Item 126A of Schedule 1**

Add:

(2) This Item does not cover goods for use by the body as part of a car remuneration package.

**11 After subitem 127(1) of Schedule 1**

Insert*:*

(1A) Subitem (1) does not cover goods for use by the body as part of a car remuneration package.

**12 At the end of Item 128 of Schedule 1**

Add:

(2) This Item does not cover goods for use by the library, museum or art gallery as part of a car remuneration package.

**13 At the end of Item 130 of Schedule 1**

Add:

(2) This Item does not cover goods for use by:

(a) the Aboriginal and Torres Strait Islander Commission; or

(b) the Torres Strait Regional Authority; or

(c) the Reserve Bank of Australia;

as part of a car remuneration package.

**14 Application**

The amendments of the Sales Tax (Exemptions and Classifications) Act 1992 made by this Schedule apply to dealings with goods after the commencement of this item.

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[Minister’s second reading speech made in—

House of Representatives on 27 June 1996

Senate on 9 September 1996].