Income Tax Rates Amendment (Managed Investment Trusts) Act 2016

No. 49, 2016

An Act to amend the *Income Tax Rates Act 1986*

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An Act to amend the *Income Tax Rates Act 1986*

[*Assented to 5 May 2016*]

The Parliament of Australia enacts:

1 Short title

 This Act may be cited as the *Income Tax Rates Amendment (Managed Investment Trusts) Act 2016*.

2 Commencement

 (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

| Commencement information |
| --- |
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table | The day this Act receives the Royal Assent. | 5 May 2016 |
| 2. Schedule 1 | At the same time as Schedule 1 to the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016* commences.However, if that Schedule does not commence, the provisions do not commence at all. | 5 May 2016 |

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

 (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

 Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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

Income Tax Rates Act 1986

1 Subsection 3(1)

Insert:

***AMIT*** (short for attribution managed investment trust) has the same meaning as in the *Income Tax Assessment Act 1997*.

***attribution managed investment trust***: see ***AMIT***.

***determined*** ***member component*** has the same meaning as in the *Income Tax Assessment Act 1997*.

***managed investment trust*** has the same meaning as in the *Income Tax Assessment Act 1997*.

2 At the end of subparagraph 5(a)(i)

Add “or”.

3 At the end of subparagraph 5(a)(ii)

Add “or”.

4 At the end of subparagraph 5(a)(iii)

Add “or”.

5 At the end of paragraph 5(a)

Add:

 (v) a person in the capacity of a trustee of an AMIT, being a person who is liable to be assessed and to pay tax under paragraph 276‑105(2)(b) or (c) of the *Income Tax Assessment Act 1997*; or

6 At the end of subparagraph 5(b)(i)

Add “or”.

7 At the end of subparagraph 5(b)(ii)

Add “or”.

8 At the end of subparagraph 5(b)(iii)

Add “or”.

9 At the end of paragraph 5(b)

Add:

 ; or (v) a company in the capacity of a trustee of an AMIT, being a company that is liable to be assessed and to pay tax under paragraph 276‑105(2)(b) or (c) of the *Income Tax Assessment Act 1997*.

10 After subsection 12(6)

Insert:

 (6A) The rate of tax payable by a trustee under paragraph 276‑105(2)(a) of the *Income Tax Assessment Act 1997* is as set out in Schedule 10A.

11 At the end of section 12

Add:

 (10) The rate of tax payable by a trustee of a managed investment trust under subsection 275‑605(2) of the *Income Tax Assessment Act 1997* is 30%.

 (11) The rate of tax payable by a trustee of an AMIT under subsection 276‑405(2) of the *Income Tax Assessment Act 1997* is 45%.

 (12) The rate of tax payable by a trustee of an AMIT under subsection 276‑415(2) of the *Income Tax Assessment Act 1997* is 45%.

 (13) The rate of tax payable by a trustee of an AMIT under subsection 276‑420(2) of the *Income Tax Assessment Act 1997* is 45%.

12 After section 28

Insert:

28A Rates of tax payable by trustees of AMITs under paragraph 276‑105(2)(b) or (c) of the *Income Tax Assessment Act 1997*

 The rates of tax payable by a trustee of an AMIT under paragraph 276‑105(2)(b) or (c) of the *Income Tax Assessment Act 1997* are:

 (a) if paragraph 276‑105(2)(b) of the *Income Tax Assessment Act 1997* applies—the rate specified in paragraph 23(2)(b) (about companies other than small business entities); and

 (b) if paragraph 276‑105(2)(c) of that Act applies—the maximum rate specified in column 3 of the table in Part II of Schedule 7 to this Act that applies for the year of income.

Note: If paragraph 276‑105(2)(a) of the *Income Tax Assessment Act 1997* applies, see subsection 12(6A).

13 Subsection 35(1) (after table item 3)

Insert:

|  |  |  |
| --- | --- | --- |
| 3A | Subsection 12(11) | Rate for subsection 276‑405(2) of the *Income Tax Assessment Act 1997* |
| 3B | Subsection 12(12) | Rate for subsection 276‑415(2) of the *Income Tax Assessment Act 1997* |
| 3C | Subsection 12(13) | Rate for subsection 276‑420(2) of the *Income Tax Assessment Act 1997* |

14 After paragraph 35(2)(a)

Insert:

 (aa) paragraph 28A(b) (rate for paragraph 276‑105(2)(c) of the *Income Tax Assessment Act 1997*);

15 After Schedule 10

Insert:

Schedule 10A—Rates of tax payable by an AMIT trustee under paragraph 276‑105(2)(a) of the Income Tax Assessment Act 1997

Note: See subsection 12(6A).

 In the case of a trustee who is liable to be assessed and to pay tax under paragraph 276‑105(2)(a) of the *Income Tax Assessment Act 1997* in respect of an amount mentioned in subsection 276‑105(3) of that Act, the rate of tax in respect of that amount is the rate that would be payable under Part II of Schedule 7 if one individual were liable to be assessed and to pay tax on that amount as his or her taxable income.

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

*House of Representatives on 3 December 2015*

*Senate on 4 May 2016*]

(228/15)