

Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act 2018

No. 134, 2018

An Act to amend the law relating to taxation, and for related purposes

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Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act 2018

No. 134, 2018

An Act to amend the law relating to taxation, and for related purposes

[*Assented to 25 October 2018*]

The Parliament of Australia enacts:

1 Short title

 This Act is the *Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act* *2018*.

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. The whole of this Act | The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent. | 1 January 2019 |

Note: This table relates only to the provisions of this Act as originally enacted.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 Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—Reducing the corporate tax rate and consequential amendments

Part 1—Commencement

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

1 Subsection 2(1) (table items 5, 6 and 7)

Repeal the items, substitute:

|  |  |  |
| --- | --- | --- |
| 6. Schedule 1, Part 10 | 1 July 2020. | 1 July 2020 |
| 7. Schedule 1, Part 11 | 1 July 2021. | 1 July 2021 |

2 Subsection 2(1) (table items 20, 21 and 22)

Repeal the items, substitute:

|  |  |  |
| --- | --- | --- |
| 21. Schedule 5, Part 5 | 1 July 2020. | 1 July 2020 |
| 22. Schedule 5, Part 6 | 1 July 2021. | 1 July 2021 |

Part 2—Main amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

3 Parts 9 and 10 of Schedule 1

Repeal the Parts, substitute:

Part 10—Amendments commencing 1 July 2020

Income Tax Rates Act 1986

39 Paragraph 23(2)(a)

Omit “27.5%”, substitute “26%”.

40 Subparagraph 23(3)(b)(i)

Omit “27.5%”, substitute “26%”.

41 Subparagraph 23(4)(c)(i)

Omit “27.5%”, substitute “26%”.

42 Subparagraph 23(6)(b)(i)

Omit “$832”, substitute “$788”.

43 Paragraph 23(7)(a)

Omit “41.25%”, substitute “39%”.

44 Paragraph 25(a)

Omit “27.5%”, substitute “26%”.

4 Part 11 of Schedule 1 (heading)

Repeal the heading, substitute:

Part 11—Amendments commencing 1 July 2021

5 Parts 4 and 5 of Schedule 5

Repeal the Parts, substitute:

Part 5—Amendments commencing 1 July 2020

Income Tax Assessment Act 1997

19 Paragraph 65‑30(2)(a)

Omit “0.275”, substitute “0.26”.

20 Paragraph 65‑35(3A)(a)

Omit “27.5”, substitute “26”.

6 Part 6 of Schedule 5 (heading)

Repeal the heading, substitute:

Part 6—Amendments commencing 1 July 2021

Part 3—Application of amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

7 Subitems 57(9), (10) and (11) of Schedule 1

Repeal the subitems, substitute:

(10) Subject to the following subitem, the amendments made by Part 10 of this Schedule apply to the 2020‑21 year of income and later years of income.

(11) The amendments made by Part 11 of this Schedule apply to the 2021‑22 year of income and later years of income.

Schedule 2—Amount of tax discount for unincorporated small businesses

Part 1—Commencement

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

1 Subsection 2(1) (table items 10, 11 and 12)

Repeal the items, substitute:

|  |  |  |
| --- | --- | --- |
| 11. Schedule 2, Part 3 | 1 July 2020. | 1 July 2020 |
| 12. Schedule 2, Part 4 | 1 July 2021. | 1 July 2021 |

Part 2—Main amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

2 Parts 2 and 3 of Schedule 2

Repeal the Parts, substitute:

Part 3—Amendments commencing 1 July 2020

Income Tax Assessment Act 1997

3 Subsection 328‑360(1)

Omit “8%”, substitute “13%”.

3 Part 4 of Schedule 2 (heading)

Repeal the heading, substitute:

Part 4—Amendments commencing 1 July 2021

Part 3—Application of amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

4 Subitems 5(2), (3) and (4) of Schedule 2

Repeal the subitems, substitute:

(3) Subject to the following subitem, the amendments made by Part 3 of this Schedule apply to the 2020‑21 income year and later income years.

(4) The amendments made by Part 4 of this Schedule apply to the 2021‑22 income year and later income years.

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

*House of Representatives on 16 October 2018*

*Senate on 17 October 2018*]

(213/18)