

2010-2011

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Clean Energy (Income Tax Rates
Amendments) Bill 2011**

No. , 2011

(Treasury)

**A Bill for an Act to amend the *Income Tax Rates
Act 1986*, and for related purposes**

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1 **A Bill for an Act to amend the *Income Tax Rates***
2 ***Act 1986, and for related purposes***

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Clean Energy (Income Tax Rates*
6 *Amendments) Act 2011*.

7 **2 Commencement**

8 (1) Each provision of this Act specified in column 1 of the table
9 commences, or is taken to have commenced, in accordance with
10 column 2 of the table. Any other statement in column 2 has effect
11 according to its terms.
12

Commencement information

Column 1	Column 2	Column 3
Provision(s)	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.	
2. Schedule 1, Part 1	The latest of: (a) the start of 1 July 2012; and (b) the commencement of section 3 of the <i>Clean Energy Act 2011</i> ; and (c) the start of the day the <i>Clean Energy (Tax Laws Amendments) Act 2011</i> receives the Royal Assent. However, the provision(s) do not commence at all unless both of the events mentioned in paragraphs (b) and (c) occur.	
3. Schedule 1, Part 2	The latest of: (a) the start of 1 July 2015; and (b) the commencement of section 3 of the <i>Clean Energy Act 2011</i> ; and (c) the start of the day the <i>Clean Energy (Tax Laws Amendments) Act 2011</i> receives the Royal Assent. However, the provision(s) do not commence at all unless both of the events mentioned in paragraphs (b) and (c) occur.	

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

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

7 **3 Schedule(s)**

8 Each Act that is specified in a Schedule to this Act is amended or
9 repealed as set out in the applicable items in the Schedule

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concerned, and any other item in a Schedule to this Act has effect according to its terms.

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Schedule 1—Personal tax rates

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Part 1—Amendments applying from the 2012-13 year

3

of income

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Income Tax Rates Act 1986

5

1 Subsection 3(1)

6

Insert:

7

tax-free threshold means \$18,200.

8

2 Subsections 20(1) and (2)

9

Repeal the subsections, substitute:

10

Part-year residency periods

11

- (1) This Act applies in relation to a person and a year of income as if the reference in the table in Part I of Schedule 7 to the tax-free threshold were a reference to the amount calculated in accordance with the following formula, if there are one or more part-year residency periods in relation to the person in relation to the year of income:

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$$\left(\begin{array}{c} \text{The tax-free} \\ \text{threshold} \end{array} - \$4,736 \right) + \left(\$4,736 \times \frac{\begin{array}{c} \text{Number of months in the year} \\ \text{of income during which there} \\ \text{is a part-year residency period} \\ \text{in relation to the person} \\ \text{and the year of income} \end{array}}{12} \right)$$

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Trustees

- (1A) Subsection (1) does not apply in calculating the tax payable by the trustee of a trust estate under section 98 of the Assessment Act in respect of a share of a beneficiary of the net income of the trust estate of a year of income.

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- (2) However, this Act applies in calculating the tax payable by the trustee in respect of that share as if the reference in the table in Part I of Schedule 7 to the tax-free threshold were a reference to

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1 the amount calculated in accordance with the following formula, if
2 there are one or more part-year residency periods in relation to the
3 beneficiary in relation to the year of income:

$$4 \quad \left(\begin{array}{c} \text{The tax-free} \\ \text{threshold} \end{array} - \$4,736 \right) + \left(\$4,736 \times \frac{\begin{array}{c} \text{Number of months in the year} \\ \text{of income when a part-year} \\ \text{residency period, or} \\ \text{part-year residency periods,} \\ \text{in relation to the beneficiary} \\ \text{in relation to the year} \\ \text{of income subsisted} \end{array}}{12} \right)$$

5 **3 Clause 1 of Part I of Schedule 7 (table items 1 and 2)**

6 Repeal the items, substitute:

1	exceeds the tax-free threshold but does not exceed \$37,000	19%
2	exceeds \$37,000 but does not exceed \$80,000	32.5%

7 **4 Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8**

8 Omit “\$6,000”, substitute “the tax-free threshold”.

9 **5 Paragraph 2(b) of Part I of Schedule 10**

10 Omit “\$6,000”, substitute “the tax-free threshold”.

11 **6 Application provision**

12 The amendments made by this Part apply to the 2012-13 year of income
13 and later years of income.
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**Part 2—Amendments applying from the 2015-16 year
of income**

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Income Tax Rates Act 1986

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7 Subsection 3(1) (definition of *tax-free threshold*)

6

Omit “\$18,200”, substitute “\$19,400”.

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8 Clause 1 of Part I of Schedule 7 (table item 2)

8

Repeal the item, substitute:

2	exceeds \$37,000 but does not exceed \$80,000	33%
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9 Application provision

10

The amendments made by this Part apply to the 2015-16 year of income
and later years of income.

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