

2010-2011

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Clean Energy (Tax Laws Amendments)
Bill 2011**

No. , 2011

(Treasury)

**A Bill for an Act to amend the law relating to
taxation, and for related purposes**

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1 **A Bill for an Act to amend the law relating to**
2 **taxation, and for related purposes**

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Clean Energy (Tax Laws*
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 later of: (a) the start of 1 July 2012; and (b) the commencement of section 3 of the <i>Clean Energy Act 2011</i> . However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	
3. Schedule 1, Part 2	The later of: (a) the start of 1 July 2015; and (b) the commencement of section 3 of the <i>Clean Energy Act 2011</i> . However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	
4. Schedule 2	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 commencement of Part 1 of Schedule 1 to the <i>Clean Energy (Income Tax Rates Amendments) Act 2011</i> . However, the provision(s) do not commence at all unless both of the events mentioned in paragraphs (b) and (c) occur.	
5. Schedule 3	The later of: (a) the start of 1 July 2012; and (b) the commencement of section 3 of the <i>Clean Energy Act 2011</i> . However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	

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Note: This table relates only to the provisions of this Act as originally enacted.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 Schedule(s)

Each Act 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.

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Schedule 1—Low-income tax offset

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Part 1—Amendments applying from the 2012-13 year of income

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Income Tax Assessment Act 1936

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1 Subsection 159N(1)

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Omit “\$67,500”, substitute “\$66,667”.

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2 Subsection 159N(2)

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Repeal the subsection, substitute:

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(2) The amount of the rebate is \$445, reduced by 1.5 cents for every
\$1 of the amount (if any) by which the taxpayer’s taxable income
of the year of income exceeds \$37,000.

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3 Application provision

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The amendments made by this Part apply to the 2012-13 year of income
and later years of income.

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Part 2—Amendments applying from the 2015-16 year of income

Income Tax Assessment Act 1936

4 Subsection 159N(1)

Omit “\$66,667”, substitute “\$67,000”.

5 Subsection 159N(2)

Repeal the subsection, substitute:

- (2) The amount of the rebate is \$300, reduced by 1 cent for every \$1 of the amount (if any) by which the taxpayer’s taxable income of the year of income exceeds \$37,000.

6 Application provision

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

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Schedule 2—Medicare levy and Medicare levy surcharge

A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act 1999

1 Paragraphs 15(1)(c) and 16(2)(c)

Omit “\$18,839”, substitute “\$20,542”.

Medicare Levy Act 1986

2 Subsection 3(1) (paragraph (a) of the definition of *phase-in limit*)

Omit “\$36,100”, substitute “\$37,975”.

3 Subsection 3(1) (paragraph (c) of the definition of *phase-in limit*)

Omit “\$22,163”, substitute “\$24,167”.

4 Subsection 3(1) (paragraph (a) of the definition of *threshold amount*)

Omit “\$30,685”, substitute “\$32,279”.

5 Subsection 3(1) (paragraph (c) of the definition of *threshold amount*)

Omit “\$18,839”, substitute “\$20,542”.

6 Subsection 8(7)

Omit “\$44,500”, substitute “\$46,000”.

7 Paragraph 8D(3)(c)

Omit “\$18,839”, substitute “\$20,542”.

8 Subparagraph 8D(4)(a)(ii)

Omit “\$18,839”, substitute “\$20,542”.

1 **9 Paragraph 8G(2)(c)**

2 Omit "\$18,839", substitute "\$20,542".

3 **10 Subparagraph 8G(3)(a)(ii)**

4 Omit "\$18,839", substitute "\$20,542".

5 **11 Application provision**

6 The amendments made by this Schedule apply to the 2012-13 year of
7 income and later years of income.
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2 **Schedule 3—Tax rebate for low income aged**
3 **persons and pensioners**
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5 *Income Tax Assessment Act 1936*

6 **1 Subsection 6(1)**

7 Insert:

8 *rebatable benefit* has the meaning given by subsection
9 160AAA(1).

10 **2 Section 160AAAA (heading)**

11 Repeal the heading, substitute:

12 **160AAAA Tax rebate for low income aged persons and pensioners**

13 **3 Subsection 160AAAA(1)**

14 Omit “A taxpayer”, substitute “Subject to subsection 160AAA(4), a
15 taxpayer”.

16 **4 Subsection 160AAAA(2)**

17 Omit “, on at least one day during the year of income, either”.

18 **5 Paragraphs 160AAAA(2)(a) and (b)**

19 Before “the taxpayer”, insert “on at least one day during the year of
20 income,”.

21 **6 At the end of subsection 160AAAA(2)**

22 Add:

23 ; or (c) the assessable income of the taxpayer of the year of income
24 includes an amount of:

- 25 (i) social security pension or education entry payment
26 (within the meaning of the *Social Security Act 1991*); or
27 (ii) service pension, carer service pension, income support
28 supplement or Defence Force Income Support
29 Allowance (within the meaning of the *Veterans’*
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1 *Entitlements Act 1986*) or a DFISA-like payment
2 mentioned in Division 4 of Part VIIAB of that Act;
3 and, on at least one day during the year of income, the
4 taxpayer is not in gaol.

5 **7 Section 160AAAB (heading)**

6 Repeal the heading, substitute:

7 **160AAAB Tax rebate for low income aged persons and pensioners—**
8 **trustees assessed under section 98**

9 **8 Subsection 160AAAB(1)**

10 Omit “A taxpayer who is”, substitute “Subject to subsection
11 160AAA(4A),”.

12 **9 Subsection 160AAAB(2)**

13 Omit “, on at least one day during the year of income, either”.

14 **10 Paragraphs 160AAAB(2)(a) and (b)**

15 Before “the beneficiary”, insert “on at least one day during the year of
16 income,”.

17 **11 At the end of subsection 160AAAB(2)**

18 Add:

19 ; or (c) the assessable income of the beneficiary of the year of
20 income includes an amount of:

- 21 (i) social security pension or education entry payment
22 (within the meaning of the *Social Security Act 1991*); or
23 (ii) service pension, carer service pension, income support
24 supplement or Defence Force Income Support
25 Allowance (within the meaning of the *Veterans’*
26 *Entitlements Act 1986*) or a DFISA-like payment
27 mentioned in Division 4 of Part VIIAB of that Act;
28 and, on at least one day during the year of income, the
29 beneficiary is not in gaol.

30 **12 Section 160AAA (heading)**

31 Repeal the heading, substitute:

1 **160AAA Rebate in respect of certain benefits etc.**

2 **13 Subsection 160AAA(1) (definition of *rebatable pension*)**

3 Repeal the definition.

4 **14 Subsection 160AAA(2)**

5 Repeal the subsection.

6 **15 Subsection 160AAA(4)**

7 Omit “subsections (2) and (3)”, substitute “section 160AAAA (Tax
8 rebate for low income aged persons and pensioners) and this section”.

9 **16 Subsection 160AAA(4A)**

10 Repeal the subsection, substitute:

11 (4A) If, apart from this subsection:

12 (a) the taxpayer would be entitled in his or her assessment in
13 respect of income of a year of income to a rebate of tax under
14 this section; and

15 (b) the taxpayer is the beneficiary of a trust; and

16 (c) the trustee of the trust is entitled to a rebate of tax for the year
17 of income under section 160AAAB in respect of the
18 taxpayer;

19 then:

20 (d) if the amounts of the rebates are the same, or the amount of
21 the rebate under this section is the lesser amount—the
22 taxpayer is not entitled to the rebate under this section; or

23 (e) if the amount of the rebate under this section is the greater
24 amount—the trustee is not entitled to the rebate under
25 section 160AAAB.

26 ***Income Tax Assessment Act 1997***

27 **17 Section 13-1 (table item headed “low income earner”)**

28 Omit “aged beneficiary”, substitute “aged or pensioner beneficiary”.

29 **18 Section 13-1 (table item headed “low income earner”)**

30 After “aged person”, insert “or pensioner”.

1 **19 Section 13-1 (table item headed “social security and other**
2 **benefit payments”)**

3 Omit “160AAA(2)”, substitute “160AAAA”.

4 **20 Subsection 63-10(1) (table items 5 and 10, column headed**
5 **“Tax offset”)**

6 After “aged persons”, insert “and pensioners”.

7 **21 Subsection 63-10(1) (table item 15, column headed “Tax**
8 **offset”)**

9 Omit “pensions”, substitute “benefits”.

10 ***Medicare Levy Act 1986***

11 **22 Subsection 3(1) (paragraph (b) of the definition of**
12 ***phase-in limit*)**

13 Repeal the paragraph.

14 **23 Subsection 3(1) (paragraph (b) of the definition of**
15 ***threshold amount*)**

16 Repeal the paragraph.

17 **24 Application provision**

18 The amendments made by this Schedule apply to the 2012-13 year of
19 income and later years of income.