



# **New Business Tax System (Franking Deficit Tax) Amendment Act 2002**

**No. 118, 2002**

**An Act to amend the *New Business Tax System  
(Franking Deficit Tax) Act 2002***

Note: An electronic version of this Act is available in SCALEplus  
(<http://scaleplus.law.gov.au/html/comact/browse/TOCN.htm>)



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**No. 118, 2002**

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## **An Act to amend the *New Business Tax System (Franking Deficit Tax) Act 2002***

[Assented to 2 December 2002]

The Parliament of Australia enacts:

### **1 Short title**

This Act may be cited as the *New Business Tax System (Franking  
Deficit Tax) Amendment Act 2002*.

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## 2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, on the day or at the time specified in column 2 of the table.

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 on which this Act receives the Royal Assent	2 December 2002
2. Schedule 1	At the same time as Schedule 18 to the <i>New Business Tax System (Consolidation and Other Measures) Act (No. 1) 2002</i> commences	29 June 2002

Note: This table relates only to the provisions of this Act as originally passed by the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table is for additional information that is not part of this Act. This information may be included 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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Amendments to facilitate the transitional treatment for late balancing companies**

### ***New Business Tax System (Franking Deficit Tax) Act 2002***

#### **1 Section 3 (definition of *franking deficit tax*)**

Repeal the definition, substitute:

*franking deficit tax* means:

- (a) franking deficit tax payable under section 205-45 of the *Income Tax Assessment Act 1997*; and
- (b) franking deficit tax payable under section 205-25 of the *Income Tax (Transitional Provisions) Act 1997*.

#### **2 Paragraph 5(a)**

After “franking deficit tax”, insert “under subsection 205-45(2) of the *Income Tax Assessment Act 1997*”.

#### **3 Paragraph 5(b)**

After “franking deficit tax”, insert “under subsection 205-45(3) of the *Income Tax Assessment Act 1997*”.

#### **4 At the end of section 5**

Add:

- ; and (c) in a case where a corporate tax entity is liable to pay franking deficit tax under subsection 205-25(2) of the *Income Tax (Transitional Provisions) Act 1997* because the entity has a franking deficit at the end of 30 June in the year 2003 or a later year—the amount of the entity’s franking deficit at that time; and
- (d) in a case where a corporate tax entity is liable to pay franking deficit tax under subsection 205-25(3) of the *Income Tax (Transitional Provisions) Act 1997* because the entity has a franking deficit immediately before it ceases to be a franking entity—the amount of the entity’s franking deficit immediately before it ceases to be a franking entity.

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*[Minister's second reading speech made in—  
House of Representatives on 26 September 2002  
Senate on 17 October 2002]*

(213/02)