



Taxation (Deficit Reduction) Act (No. 3) 1993

No. 58 of 1993

An Act to amend the law relating to taxation

[Assented to 27 October 1993]

The Parliament of Australia enacts:

PART 1—PRELIMINARY

Short title

1. This Act may be cited as the *Taxation (Deficit Reduction) Act (No. 3) 1993*.

Commencement

2.(1) This Act (other than Divisions 3 and 4 of Part 2) commences on the day on which it receives the Royal Assent.

(2) Division 3 of Part 2 commences on 1 July 1994.

(3) Division 4 of Part 2 commences at the beginning of the financial year fixed by regulations made by the Governor-General for the purposes of this subsection. The financial year must be later than the financial year beginning on 1 July 1994.

PART 2—AMENDMENT OF THE INCOME TAX RATES ACT 1986 TO GIVE EFFECT TO PERSONAL TAX CUTS

Division 1—Preliminary

Object of Part

3. The object of this Part is to implement personal tax cuts.

Principal Act

4. In this Part, “**Principal Act**” means the *Income Tax Rates Act 1986*¹.

Division 2—Tax cuts for 1993-94

Schedule 7

5.(1) The Principal Act is amended:

(a) by omitting the table in Part I of Schedule 7 and substituting the following table:

Column 1	Column 2
Parts of taxable income of resident taxpayer	% rate
The part of taxable income that:	
exceeds \$5,400 but does not exceed \$20,700	20%
exceeds \$20,700 but does not exceed \$36,000	35.5%
exceeds \$36,000 but does not exceed \$38,000	38.5%
exceeds \$38,000 but does not exceed \$50,000	44.125%
exceeds \$50,000	47% ”;

(b) by omitting the table in Part II of Schedule 7 and substituting the following table:

Column 1	Column 2
Parts of taxable income of non-resident taxpayer	% rate
The part of taxable income that:	
does not exceed \$20,700	29%
exceeds \$20,700 but does not exceed \$36,000	35.5%
exceeds \$36,000 but does not exceed \$38,000	38.5%
exceeds \$38,000 but does not exceed \$50,000	44.125%
exceeds \$50,000	47% ”.

(2) The amendments made by subsection (1) apply to assessments in respect of income of the 1993-94 year of income. 15

Division 3—Tax cuts starting in 1994-95

Schedule 7

6.(1) The Principal Act is amended:

(a) by omitting the table in Part I of Schedule 7 and substituting the following table:

“ Column 1	Column 2
Parts of taxable income of resident taxpayer	% rate
The part of taxable income that:	
exceeds \$5,400 but does not exceed \$20,700	20%
exceeds \$20,700 but does not exceed \$38,000	34%
exceeds \$38,000 but does not exceed \$50,000	43%
exceeds \$50,000	47% ”;

(b) by omitting the table in Part II of Schedule 7 and substituting the following table:

“ Column 1	Column 2
Parts of taxable income of non-resident taxpayer	% rate
The part of taxable income that:	
does not exceed \$20,700	29%
exceeds \$20,700 but does not exceed \$38,000	34%
exceeds \$38,000 but does not exceed \$50,000	43%
exceeds \$50,000	47% ”.

(2) The amendments made by subsection (1) apply to assessments in respect of income of the 1994-95 year of income and of all later years of income.

(3) Subsection (2) has effect subject to Division 4.

Division 4—Additional tax cuts

Schedule 7

7.(1) The Principal Act is amended:

(a) by omitting the table in Part I of Schedule 7 and substituting the following table:

Column 1	Column 2
Parts of taxable income of resident taxpayer	% rate
The part of taxable income that:	
exceeds \$5,400 but does not exceed \$20,700	20%
exceeds \$20,700 but does not exceed \$40,000	30%
exceeds \$40,000 but does not exceed \$50,000	40%
exceeds \$50,000	47% ”;

(b) by omitting the table in Part II of Schedule 7 and substituting the following table:

Column 1	Column 2
Parts of taxable income of non-resident taxpayer	% rate
The part of taxable income that:	
does not exceed \$20,700	29%
exceeds \$20,700 but does not exceed \$40,000	30%
exceeds \$40,000 but does not exceed \$50,000	40%
exceeds \$50,000	47% ”.

(2) The amendments made by subsection (1) apply to assessments in respect of income of the designated year of income and of all later years of income.

(3) In subsection (2):

“**designated year of income**” means the year of income to which the financial year fixed under subsection 2(3) relates.

PART 3—REPEAL OF THE TAX LEGISLATION AMENDMENT ACT 1992

Object of Part

8. The object of this Part is to repeal the *Tax Legislation Amendment Act 1992*. That Act, which provided for personal tax cuts, is superseded by the amendments made by this Act.

Repeal of the *Tax Legislation Amendment Act 1992*

9. The *Tax Legislation Amendment Act 1992* is repealed.

PART 4—AMENDMENT OF THE INCOME TAX ASSESSMENT ACT 1936

Division 1—Principal Act

Principal Act

10. In this Part, “**Principal Act**” means the *Income Tax Assessment Act 1936*².

Division 2—Amendment to provide for a rebate for low-income taxpayers

Object of Division

11. The object of this Division is to provide for a rebate of up to \$150 for low-income taxpayers.

Insertion of new section

12. After section 159M of the Principal Act the following section is inserted:

Rebate for certain low-income taxpayers

“159N.(1) If a taxpayer’s taxable income of a year of income is less than \$24,450, the taxpayer is entitled to a rebate of tax in the taxpayer’s assessment for the year of income.

“(2) The amount of the rebate is \$150, reduced by 4 cents for every \$1 of the amount (if any) by which the taxpayer’s taxable income of the year of income exceeds \$20,700.”.

Application of amendment

13. The amendment made by this Division applies to assessments in respect of income of the 1993-94 year of income and of all later years of income.

NOTES

Income Tax Rates Act 1986

1. No. 107, 1986, as amended. For previous amendments, see Nos. 60 and 138, 1987; Nos. 11, 78 and 118, 1988; Nos. 70, 98 and 106, 1989; No. 87, 1990; Nos. 48, 100 and 216, 1991; Nos. 98 and 197, 1992; and Nos. 7 and 18, 1993.

Income Tax Assessment Act 1936

2. No. 27, 1936, as amended. For previous amendments, see No. 88, 1936; No. 5, 1937; No. 46, 1938; No. 30, 1939; Nos. 17 and 65, 1940; Nos. 58 and 69, 1941; Nos. 22 and 50, 1942; No. 10, 1943; Nos. 3 and 28, 1944; Nos. 4 and 37, 1945; No. 6, 1946; Nos. 11 and 63, 1947; No. 44, 1948; No. 66, 1949; No. 48, 1950; No. 44, 1951; Nos. 4, 28 and 90, 1952; Nos. 1, 28, 45 and 81, 1953; No. 43, 1954; Nos. 18 and 62, 1955; Nos. 25, 30 and 101, 1956; Nos. 39 and 65, 1957; No. 55, 1958; Nos. 12, 70 and 85, 1959; Nos. 17, 18, 58 and 108, 1960; Nos. 17, 27 and 94, 1961; Nos. 39 and 98, 1962; Nos. 34 and 69, 1963; Nos. 46, 68, 110 and 115, 1964; Nos. 33, 103 and 143, 1965; Nos. 50 and 83, 1966; Nos. 19, 38, 76 and 85, 1967; Nos. 4, 70, 87 and 148, 1968; Nos. 18, 93 and 101, 1969; No. 87, 1970; Nos. 6, 54 and 93, 1971; Nos. 5, 46, 47, 65 and 85, 1972; Nos. 51, 52, 53, 164 and 165, 1973; No. 216, 1973 (as amended by No. 20, 1974); Nos. 26 and 126, 1974; Nos. 80 and 117, 1975; Nos. 50, 53, 56, 98, 143, 165 and 205, 1976; Nos. 57, 126 and 127, 1977; Nos. 36, 57, 87, 90, 123, 171 and 172, 1978; Nos. 12, 19, 27, 43, 62, 146, 147 and 149, 1979; Nos. 19, 24, 57, 58, 124, 133, 134 and 159, 1980; Nos. 61, 92, 108, 109, 110, 111, 154 and 175, 1981; Nos. 29, 38, 39, 76, 80, 106 and 123, 1982; Nos. 14, 25, 39, 49, 51, 54 and 103, 1983; Nos. 14, 42, 47, 63, 76, 115, 124, 165 and 174, 1984; No. 123, 1984 (as amended by No. 65, 1985); Nos. 47, 49, 104, 123, 168 and 174, 1985; No. 173, 1985 (as amended by No. 49, 1986); Nos. 41, 46, 48, 51, 109, 112 and 154, 1986; No. 49, 1986 (as amended by No. 141, 1987); No. 52, 1986 (as amended by No. 141, 1987); No. 90, 1986 (as amended by No. 141, 1987); Nos. 23, 58, 61, 120, 145 and 163, 1987; No. 62, 1987 (as amended by No. 108, 1987); No. 108, 1987 (as amended by No. 138, 1987); No. 138, 1987 (as amended by No. 11, 1988); No. 139, 1987 (as amended by Nos. 11 and 78, 1988); Nos. 8, 11, 59, 75, 78, 80, 87, 95, 97, 127 and 153, 1988; Nos. 2, 11, 56, 70, 73, 105, 107, 129, 163 and 167, 1989; No. 97, 1989 (as amended by No. 105, 1989); Nos. 20, 35, 45, 57, 58, 60, 61, 87, 119 and 135, 1990; Nos. 4, 5, 6, 48, 55, 100, 203, 208 and 216, 1991; Nos. 3, 35, 69, 70, 80, 81, 92, 98, 101, 118, 138, 167, 190, 191, 208, 223, 224, 227, 237 and 238, 1992; and Nos. 7, 17, 18, 27 and 32, 1993.

[Minister's second reading speech made in—

House of Representatives on 27 September 1993

Senate on 29 September 1993]