**Medicare Levy Amendment Act 1996**

**No. 16, 1996**

An Act to amend the **Medicare Levy Act 1986**,and

for related purposes

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Medicare Levy Amendment Act 1996

**No. 16, 1996**

**An Act to amend the Medicare Levy Act 1986,and for related purposes**

[Assented to 27 June 1996]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the Medicare Levy Amendment Act 1996.

2 Commencement

(1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.

(2) Schedule 1 commences, or is taken to have commenced, on 1 July 1996.

(3) Schedule 2 commences on 1 July 1997.

3 Schedule(s)

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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 commencing on 1 July 1996**

***Medicare Levy Act 1986***

**1 Section 6**

Omit “1.5%” (wherever occurring), substitute “1.7%”.

**2 Subsection 8(2)**

Omit "0.185", substitute “0.183".

**3 Subsection 8(2)**

Omit “1.5%”, substitute “1.7%”.

**4 After section 8**

Insert:

8A Amount of levy—members of the Defence Force etc.

(1) Subject to subsections (4) and (5), this section applies to a person during a period during which the person is entitled to free medical treatment in respect of every incapacity, disease or disabling condition because the person is:

(a) a member of the Defence Force; or

(b) a relative of, or otherwise associated with, a member of the Defence Force.

(2) If the person is:

(a) a person to whom this section applies for the whole of the year of income; or

(b) a person to whom this section applies for part or parts only of the year of income and a prescribed person for the remainder of that year;

the amount of levy payable by the person is two-seventeenths of the amount of levy that, apart from this section, would have been payable by the person under this Act.

(3) If the person is a person to whom this section applies for part or parts only of the year of income and subsection (2) does not apply, the amount of levy payable by the person is the amount worked out using the formula:

where:

**defence component** is the amount obtained by multiplying:

(a) the amount of levy that would have been payable by the person for the year of income under subsection (2) if that subsection applied; and

(b) the number of days during that year on which the person was a person to whom this section applies.

**ordinary component** is the amount obtained by multiplying:

(a) the amount of levy that would have been payable by the person for the year of income if this section did not apply; and

(b) the number of days during that year on which the person was neither:

(i) a person to whom this section applies; nor

(ii) a prescribed person.

(4) A person is not a person to whom this section applies during a particular period unless every person who is a dependant of the first-mentioned person during that period is or is taken to be, or apart from this subsection or subsection 251U(2) would or would be taken to be:

(a) a person to whom this section applies; or

(b) a prescribed person;

during that period.

(5) If:

(a) a person would not, apart from this subsection, be a person to whom this section applies during a particular period; and

(b) the person would, apart from subsection (4), be a person to whom this section applies during that period;

the person is taken to be a person to whom this section applies during one-half of that period.

**5 At the end of section 9**

Add:

(2) This section does not apply to a person to whom subsection 8A(3) applies.

**6 Application**

The amendments made by this Schedule apply for the financial year

commencing on 1 July 1996.

**Schedule 2 Amendments commencing on**

**1 July 1997**

***Medicare Levy Act 1986***

**1 Section 6**

Omit “1.7%” (wherever occurring), substitute “1.5%”.

**2 Subsection 8(2)**

Omit “0.183”, substitute “0.185”.

**3 Subsection 8(2)**

Omit “1.7%”, substitute “1.5%”.

**4 Section 8A**

Repeal the section.

**5 Subsection 9(2)**

Repeal the subsection.

**6 Application**

The amendments made by this Schedule apply for the financial year commencing on 1 July 1997 and all later financial years

[Minister’s second reading speech made in—

House of Representatives on 29 May 1996 Senate on 18 June 1996]