



Income Tax Rates Amendment (Temporary Budget Repair Levy) Act 2014

No. 45, 2014

**An Act to amend the *Income Tax Rates Act 1986*,
and for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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Income Tax Rates Amendment (Temporary Budget Repair Levy) Act 2014

No. 45, 2014

**An Act to amend the *Income Tax Rates Act 1986*,
and for related purposes**

[Assented to 25 June 2014]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Income Tax Rates Amendment
(Temporary Budget Repair Levy) Act 2014*.

No. 45, 2014

*Income Tax Rates Amendment (Temporary Budget Repair Levy) Act
2014*

1

2 Commencement

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

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.	25 June 2014
2. Schedule 1	At the same time as Schedule 1 to the <i>Tax Laws Amendment (Temporary Budget Repair Levy) Act 2014</i> commences.	25 June 2014

Note: This table relates only to the provisions of this Act as originally enacted.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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Temporary budget repair levy

Income Tax Rates Act 1986

1 After Part III

Insert:

Part IV—Temporary budget repair levy

32 Interpretation

In this Part:

temporary budget repair levy year means a year of income corresponding to a temporary budget repair levy year (within the meaning of section 4-11 of the *Income Tax (Transitional Provisions) Act 1997*).

33 Application

This Part applies in relation to the temporary budget repair levy years.

34 Extra income tax for temporary budget repair levy

The rate of extra income tax payable as mentioned in section 4-11 of the *Income Tax (Transitional Provisions) Act 1997* (temporary budget repair levy) for a financial year on a taxpayer's taxable income for the corresponding year of income is the rate applicable under the table.

Rate of temporary budget repair levy		
Item	Column 1 For the part of the taxable income of the taxpayer that:	Column 2 The rate is:
1	exceeds \$180,000	2%

35 Temporary budget repair levy for other income tax rates

References to 45%

- (1) The provisions of this Act set out in column 1 of the table apply as if each reference in the provision to 45% was increased by 2 percentage points.

Provisions containing references to 45%		
Item	Column 1 Provision	Column 2 Topic of provision
1	Subsection 12(7)	Rate for subsection 94(9) of the Assessment Act
2	Subsection 12(8)	Rate for subsections 94(11) and (12) of the Assessment Act
3	Subsection 12(9)	Rate for section 99A of the Assessment Act
4	Paragraph 26(1)(b)	Rate for superannuation funds with non-arm's length component
5	Subsection 26(2)	Rate for non-complying superannuation funds
6	Paragraph 27(1)(b)	Rate for complying ADFs with non-arm's length component
7	Subsection 27(2)	Rate for non-complying ADFs
8	Subsection 27A(b)	Rate for pooled superannuation trusts with non-arm's length component

Note: Some provisions, such as the Schedules, are excluded from this list so as not to duplicate the operation of the levy.

References to maximum rate

- (2) The following provisions of this Act apply as if the maximum rate specified as mentioned in the provision was increased by 2 percentage points:
- (a) paragraph 28(b) (rate for subsection 98(4) of the Assessment Act);
 - (b) paragraph 29(2)(a) (rate for no-TFN contributions income).

Note: This subsection does not cover references to the "highest rate" in subsection 13(1) and 15(8), which are about phase-out limits.

36 Rate where Division 6AA of Part III of the Assessment Act applies

- (1) This section applies in respect of the following amounts:
 - (a) so much of the eligible taxable income of a resident taxpayer who is a prescribed person for the purposes of Division 6AA of Part III of the Assessment Act as exceeds \$416 but does not exceed \$180,000;
 - (b) so much of the eligible taxable income of a non-resident taxpayer who is a prescribed person for the purposes of that Division as does not exceed \$180,000;
 - (c) so much of a share of the net income of a trust estate in respect of which the trustee is liable to be assessed and to pay tax as:
 - (i) is a share to which that Division applies; and
 - (ii) does not exceed \$180,000.
- (2) Increase by 2 percentage points the rate of tax that would, apart from this section, apply to the amount.

37 Operation of this Part

Nothing in the provisions of this Act (other than this Part) limits the operation of this Part.

Note: This reflects the fact that temporary budget repair levy is extra income tax.

*[Minister's second reading speech made in—
House of Representatives on 13 May 2014
Senate on 16 June 2014]*

(95/14)
