



Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act 2018

No. 134, 2018

**An Act to amend the law relating to taxation, and
for related purposes**

Note: An electronic version of this Act is available on the Federal Register of Legislation
(<https://www.legislation.gov.au/>)

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Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act 2018

No. 134, 2018

An Act to amend the law relating to taxation, and for related purposes

[Assented to 25 October 2018]

The Parliament of Australia enacts:

1 Short title

This Act is the *Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act 2018*.

No. 134, 2018

Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act 2018

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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, 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
Provisions	Commencement	Date/Details
1. The whole of this Act	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	1 January 2019

Note: This table relates only to the provisions of this Act as originally enacted.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 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—Reducing the corporate tax rate and consequential amendments

Part 1—Commencement

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

1 Subsection 2(1) (table items 5, 6 and 7)

Repeal the items, substitute:

6. Schedule 1, Part 10	1 July 2020.	1 July 2020
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7. Schedule 1, Part 11	1 July 2021.	1 July 2021
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2 Subsection 2(1) (table items 20, 21 and 22)

Repeal the items, substitute:

21. Schedule 5, Part 5	1 July 2020.	1 July 2020
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22. Schedule 5, Part 6	1 July 2021.	1 July 2021
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Part 2—Main amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

3 Parts 9 and 10 of Schedule 1

Repeal the Parts, substitute:

Part 10—Amendments commencing 1 July 2020

Income Tax Rates Act 1986

39 Paragraph 23(2)(a)

Omit “27.5%”, substitute “26%”.

40 Subparagraph 23(3)(b)(i)

Omit “27.5%”, substitute “26%”.

41 Subparagraph 23(4)(c)(i)

Omit “27.5%”, substitute “26%”.

42 Subparagraph 23(6)(b)(i)

Omit “\$832”, substitute “\$788”.

43 Paragraph 23(7)(a)

Omit “41.25%”, substitute “39%”.

44 Paragraph 25(a)

Omit “27.5%”, substitute “26%”.

4 Part 11 of Schedule 1 (heading)

Repeal the heading, substitute:

Part 11—Amendments commencing 1 July 2021

5 Parts 4 and 5 of Schedule 5

Repeal the Parts, substitute:

Part 5—Amendments commencing 1 July 2020

Income Tax Assessment Act 1997

19 Paragraph 65-30(2)(a)

Omit “0.275”, substitute “0.26”.

20 Paragraph 65-35(3A)(a)

Omit “27.5”, substitute “26”.

6 Part 6 of Schedule 5 (heading)

Repeal the heading, substitute:

Part 6—Amendments commencing 1 July 2021

Part 3—Application of amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

7 Subitems 57(9), (10) and (11) of Schedule 1

Repeal the subitems, substitute:

- (10) Subject to the following subitem, the amendments made by Part 10 of this Schedule apply to the 2020-21 year of income and later years of income.
- (11) The amendments made by Part 11 of this Schedule apply to the 2021-22 year of income and later years of income.

Schedule 2—Amount of tax discount for unincorporated small businesses

Part 1—Commencement

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

1 Subsection 2(1) (table items 10, 11 and 12)

Repeal the items, substitute:

11. Schedule 2, Part 3	1 July 2020.	1 July 2020
12. Schedule 2, Part 4	1 July 2021.	1 July 2021

Part 2—Main amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

2 Parts 2 and 3 of Schedule 2

Repeal the Parts, substitute:

Part 3—Amendments commencing 1 July 2020

Income Tax Assessment Act 1997

3 Subsection 328-360(1)

Omit “8%”, substitute “13%”.

3 Part 4 of Schedule 2 (heading)

Repeal the heading, substitute:

Part 4—Amendments commencing 1 July 2021

Part 3—Application of amendments

Treasury Laws Amendment (Enterprise Tax Plan) Act 2017

4 Subitems 5(2), (3) and (4) of Schedule 2

Repeal the subitems, substitute:

- (3) Subject to the following subitem, the amendments made by Part 3 of this Schedule apply to the 2020-21 income year and later income years.
- (4) The amendments made by Part 4 of this Schedule apply to the 2021-22 income year and later income years.

*[Minister's second reading speech made in—
House of Representatives on 16 October 2018
Senate on 17 October 2018]*

(213/18)
