

Radiocommunications Taxes Collection Regulations (Amendment) 1995 No. 36

EXPLANATORY STATEMENT

Statutory Rules 1995 No. 36

Issued by the Authority of the Minister for Communications and the Arts

Radiocommunications Taxes Collection Act 1983

Radiocommunications Taxes Collection Regulations (Amendment)

Section 11 of the *Radiocommunications Taxes Collection Act 1983* (the Act) provides that the Governor-General may make Regulations (the Regulations) required or permitted by this Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 11 further provides that the Regulations may make provision for or in relation to the manner of payment of tax and the remission or refund of tax in specified circumstances.

Regulation 8 of the Regulations provides that the holder of a public mobile telecommunications service (PMTS), Class B licence issued on or before 30 November 1995 is entitled to a 20% remission of an instalment of transmitter licence tax payable on or after 1 December 1994 but before 1 December 1995.

The amendment to the Regulations limits the application of the remission to the amount worked out in accordance with the formula provided in the amendment.

The reason for the amendment is that the Spectrum Management Agency proposes to issue a second PMTS, Class B licence to each of the current licence holders which will enable them to use additional spectrum. A PMTS, Class B licence authorises the provision of a digital mobile telephone service using Global System for Mobile Communications (GSM) technology. The Radiocommunications (Transmitter Licence Tax) Determination No. 1 of 1994, which sets the amount of tax payable on PMTS, Class B licences, will provide that an additional amount of tax will be payable on the issue of the licences.

This additional amount of tax will take account of the commercial benefit derived by the licence holders from gaining access to the extra spectrum. Accordingly, the effect of the amendment is to remove the entitlement of the licence holders to the 20% remission which would otherwise apply to the first instalment of this additional amount of tax. Details of the amendment to the Regulations are as follows.

Regulation 1 is a citation provision.

Regulation 2 inserts sub-Regulation 8(2A) after sub-Regulation 8(2) which specifies the rate of remission which applies to an instalment of a transmitter licence tax payable on the issue of a public mobile telecommunications service licence, Class B issued on or after 1 March 1995.