

1998

The Parliament of the  
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

*Presented and read a first time*

## **A New Tax System (Personal Income Tax Cuts) Bill 1998**

**No.     , 1998**

*(Treasury)*

**A Bill for an Act to implement A New Tax System  
by reducing personal income tax rates and  
increasing family tax assistance, and for other  
purposes**

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1     **A Bill for an Act to implement A New Tax System**  
2     **by reducing personal income tax rates and**  
3     **increasing family tax assistance, and for other**  
4     **purposes**

5     The Parliament of Australia enacts:

6     **1 Short title**

7                     This Act may be cited as the *A New Tax System (Personal Income*  
8                     *Tax Cuts) Act 1998*.

9     **2 Commencement**

10                    (1) This Act commences, or is taken to have commenced:

- 1 (a) after all the Acts listed in subsection (2) have received the  
2 Royal Assent; and  
3 (b) on the day after the last day on which any of those Acts  
4 received the Royal Assent.
- 5 (2) These are the Acts that must have received the Royal Assent for  
6 this Act to commence:  
7 (a) the *A New Tax System (Goods and Services Tax) Act 1998*;  
8 (b) the *A New Tax System (Goods and Services Tax*  
9 *Administration) Act 1998*;  
10 (c) the *A New Tax System (Goods and Services Tax Imposition—*  
11 *Excise) Act 1998*;  
12 (d) the *A New Tax System (Goods and Services Tax Imposition—*  
13 *Customs) Act 1998*;  
14 (e) the *A New Tax System (Goods and Services Tax Imposition—*  
15 *General) Act 1998*.

16 **3 Schedule(s)**

17 Each Act that is specified in a Schedule to this Act is amended or  
18 repealed as set out in the applicable items in the Schedule  
19 concerned, and any other item in a Schedule to this Act has effect  
20 according to its terms.

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## **Schedule 1—Amendment of the Income Tax Rates Act 1986**

### **1 Paragraph 20C(1)(b)**

Omit “taxpayers”, substitute “taxpayer’s”.

### **2 Subsection 20C(1)**

After “Schedule 7”, insert “(as in force immediately before the commencement of the *A New Tax System (Personal Income Tax Cuts) Act 1998*)”.

### **3 Paragraph 20C(2)(a)**

Omit “1997-98”, substitute “2000-01”.

### **4 Paragraph 20C(2)(b)**

Omit “taxpayers”, substitute “taxpayer’s”.

### **5 Subsection 20C(2)**

Omit “\$1,000”, substitute “\$2,000”.

### **6 Paragraph 20D(1)(b)**

Omit “taxpayers” (wherever occurring), substitute “taxpayer’s”.

### **7 Subsection 20D(1)**

After “Schedule 7”, insert “(as in force immediately before the commencement of the *A New Tax System (Personal Income Tax Cuts) Act 1998*)”.

### **8 Paragraph 20D(2)(a)**

Omit “1997-98”, substitute “2000-01”.

### **9 Paragraph 20D(2)(b)**

Omit “taxpayers” (wherever occurring), substitute “taxpayer’s”.

### **10 Subsection 20D(2)**

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Omit “\$2,500”, substitute “\$5,000”.

## 11 Subsection 20E(2) (table)

Repeal the table, substitute:

<b>Tax rates for resident taxpayer</b>	
<b>Column 1</b>	<b>Column 2</b>
<b>For the part of the ordinary taxable income of the taxpayer that:</b>	<b>The rate is:</b>
exceeds \$20,000 but does not exceed the adjusted tax-free threshold	13%
exceeds the adjusted tax-free threshold but does not exceed \$50,000	30%
exceeds \$50,000 but does not exceed \$75,000	40%
exceeds \$75,000	47%

Note: The heading to section 20E is altered by omitting “\$20,700” and substituting “\$20,000”.

## 12 Subsection 20S(3)

Omit “\$1,000” (wherever occurring), substitute “\$2,000”.

## 13 After subsection 20T(3)

Omit “\$2,500” (wherever occurring), substitute “\$5,000”.

## 14 Clause 1 of Part I of Schedule 7 (table)

Repeal the table, substitute:

<b>Tax rates for resident taxpayer</b>	
<b>Column 1</b>	<b>Column 2</b>
<b>For the part of the ordinary taxable income of the taxpayer that:</b>	<b>The rate is:</b>
exceeds \$6,000 but does not exceed \$20,000	17%
exceeds \$20,000 but does not exceed \$50,000	30%
exceeds \$50,000 but does not exceed \$75,000	40%
exceeds \$75,000	47%



**15 Clause 1 of Part II of Schedule 7 (table)**

Repeal the table, substitute:

<b>Tax rates for non-resident taxpayer</b>	
<b>Column 1</b>	<b>Column 2</b>
<b>For the part of the ordinary taxable income of the taxpayer that:</b>	<b>The rate is:</b>
does not exceed \$20,000	29%
exceeds \$20,000 but does not exceed \$50,000	30%
exceeds \$50,000 but does not exceed \$75,000	40%
exceeds \$75,000	47%

**16 Amendment of listed provisions**

Each of the following provisions is amended by omitting “\$5,400” (wherever occurring) and substituting “\$6,000”:

Paragraphs 12A(3)(b) and (4)(b)

Subsection 12A(6) (definitions of *adjusted tax-free threshold* and *tax-free threshold increase*)

Subsections 20(1) and (2)

Subsection 20C(2)

Subsection 20D(2)

Subsection 20E(3) (definitions of *adjusted tax-free threshold* and *tax-free threshold increase*)

Subsection 20F(3) (definition of *tax-free threshold increase*)

Subsection 20G(5) (definitions of *tax-free threshold* and *tax-free threshold increase*)

Section 20H (definition of *tax-free threshold increase*)

Subsection 20U(1) (definitions of *section 20C tax-free threshold increase* and *section 20D tax-free threshold increase*)

Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8

Paragraph 2(b) of Part I of Schedule 10

**17 Amendment of listed provisions**

- 1 Each of the following provisions is amended by omitting “\$20,700”  
2 (wherever occurring) and substituting “\$20,000”:

Subsection 20E(1)

Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8

Paragraph 2(b) of Part I of Schedule 10

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**Schedule 2—Consequential amendments of  
other Acts**

***Income Tax Assessment Act 1936***

**1 Amendment of listed provisions**

Each of the following provisions is amended by omitting “\$5,400”  
(wherever occurring) and substituting “\$6,000”:

- Subsection 23AF(17E) (definition of *tax free threshold increase*)
- Subsection 23AG(5B) (definition of *tax free threshold increase*)
- Paragraph 221YDA(1)(g)
- Subparagraph 221YDA(2)(a)(iv)

***Income Tax Assessment Act 1997***

**2 Paragraph 388-55(2)(a)**

Omit “\$20,700”, substitute “\$20,000”.

**3 Paragraphs 388-60(1)(a) and (b)**

Omit “34%”, substitute “30%”.

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2 **Schedule 3—Application**  
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4 **1 Application**

5 (1) Subject to subitem (2), the amendments made by this Act (except items  
6 1, 2, 4, 6, 7 and 9 of Schedule 1) apply to assessments for the  
7 2000-2001 income year and later income years.

8 (2) The amendments of paragraph 221YDA(1)(g) and subparagraph  
9 221YDA(2)(a)(iv) of the *Income Tax Assessment Act 1936* made by  
10 item 1 of Schedule 2 to this Act apply for the purposes of working out  
11 amounts of provisional tax (including instalments) payable for the  
12 2000-2001 income year and later income years.