

2013-2014

The Parliament of the  
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

*Presented and read a first time*

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

**No.     , 2014**

*(Treasury)*

**A Bill for an Act to amend the *Income Tax Rates  
Act 1986*, and for related purposes**



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1     **A Bill for an Act to amend the *Income Tax Rates***  
2     ***Act 1986, and for related purposes***

3     The Parliament of Australia enacts:

4     **1 Short title**

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

7     **2 Commencement**

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

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedule 1	At the same time as Schedule 1 to the <i>Tax Laws Amendment (Temporary Budget Repair Levy) Act 2014</i> commences.	

1 Note: This table relates only to the provisions of this Act as originally  
2 enacted. It will not be amended to deal with any later amendments of  
3 this Act.

4 (2) Any information in column 3 of the table is not part of this Act.  
5 Information may be inserted in this column, or information in it  
6 may be edited, in any published version of this Act.

7 **3 Schedule(s)**

8 Each Act that is specified in a Schedule to this Act is amended or  
9 repealed as set out in the applicable items in the Schedule  
10 concerned, and any other item in a Schedule to this Act has effect  
11 according to its terms.

1 **Schedule 1—Temporary budget repair levy**  
2

3 ***Income Tax Rates Act 1986***

4 **1 After Part III**

5 Insert:

6 **Part IV—Temporary budget repair levy**  
7

8 **32 Interpretation**

9 In this Part:

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

14 **33 Application**

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

17 **34 Extra income tax for temporary budget repair levy**

18 The rate of extra income tax payable as mentioned in section 4-11  
19 of the *Income Tax (Transitional Provisions) Act 1997* (temporary  
20 budget repair levy) for a financial year on a taxpayer's taxable  
21 income for the corresponding year of income is the rate applicable  
22 under the table.  
23

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**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%

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1 **35 Temporary budget repair levy for other income tax rates**

2 *References to 45%*

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

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**Provisions containing references to 45%**

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<b>Item</b>	<b>Column 1 Provision</b>	<b>Column 2 Topic of provision</b>
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

7  
8 Note: Some provisions, such as the Schedules, are excluded from this list so  
9 as not to duplicate the operation of the levy.

10 *References to maximum rate*

- 11 (2) The following provisions of this Act apply as if the maximum rate  
12 specified as mentioned in the provision was increased by 2  
13 percentage points:

14 (a) paragraph 28(b) (rate for subsection 98(4) of the Assessment  
15 Act);

16 (b) paragraph 29(2)(a) (rate for no-TFN contributions income).

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



1 **36 Rate where Division 6AA of Part III of the Assessment Act**  
2 **applies**

3 (1) This section applies in respect of the following amounts:

4 (a) so much of the eligible taxable income of a resident taxpayer  
5 who is a prescribed person for the purposes of Division 6AA  
6 of Part III of the Assessment Act as exceeds \$416 but does  
7 not exceed \$180,000;

8 (b) so much of the eligible taxable income of a non-resident  
9 taxpayer who is a prescribed person for the purposes of that  
10 Division as does not exceed \$180,000;

11 (c) so much of a share of the net income of a trust estate in  
12 respect of which the trustee is liable to be assessed and to pay  
13 tax as:

14 (i) is a share to which that Division applies; and

15 (ii) does not exceed \$180,000.

16 (2) Increase by 2 percentage points the rate of tax that would, apart  
17 from this section, apply to the amount.

18 **37 Operation of this Part**

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

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