

[Act 2001 No 39]



New South Wales

State Revenue Legislation Further Amendment Bill 2001

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

This Bill is cognate with the *Appropriation Bill 2001*.

Overview of Bill

The object of this Bill is to remove or reduce certain State taxes.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on 1 July 2001.

Clause 3 is a formal provision giving effect to the amendments to the *Debts Tax Act 1990* set out in Schedule 1.

Clause 4 is a formal provision giving effect to the amendments to the *Duties Act 1997* set out in Schedule 2.

Clause 5 is a formal provision giving effect to the amendments to the *Electricity Supply Act 1995* set out in Schedule 3.

Schedule 1 Amendment of Debits Tax Act 1990

Schedule 1 amends the *Debits Tax Act 1990* to enable the Governor, by proclamation, to appoint a day for the abolition of tax under that Act, and to remove, as a consequence, certain obligations currently imposed under that Act. Contingent on arrangements to be made by the Commonwealth, it is anticipated that debits tax will be abolished on 1 January 2002.

Schedule 2 Amendment of Duties Act 1997

Instruments relating to superannuation

Schedule 2 [1] and **[2]** abolish, with effect from 1 July 2001, the duty of \$20 payable on the instruments specified in section 60 of the Act relating to superannuation funds, approved deposit funds, pooled superannuation trusts and eligible rollover funds.

Lease instruments

Schedule 2 [3], **[4]** and **[7]** remove franchise arrangements from the lease duty base with effect from 1 July 2001.

Schedule 2 [5] and **[6]** increase the tax-free threshold for a lease that is determined according to the total cost of the lease from \$3,000 (or \$3,000 per year) to \$20,000 (or \$20,000 per year), with effect from 1 July 2001.

Hire of goods

Schedule 2 [8]–[12] increase the tax-free threshold for the hire of goods that is determined according to hiring charges received from ordinary hires that are not special hiring arrangements from \$6,000 per month to \$14,000 per month, with effect from 1 July 2001.

Schedule 3 Amendment of Electricity Supply Act 1995

Schedule 3 [1] provides that the electricity distributor's levy that is imposed under Division 5 of Part 3 of the *Electricity Supply Act 1995* on the holder of an electricity distributor's licence cannot be imposed for the year commencing 1 July 2001, or any subsequent year, unless the Treasurer approves the determination of the levy.

Schedule 3 [2] makes the same provision with respect to the transmission operator's levy that is imposed under Division 1 of Part 4A of the *Electricity Supply Act 1995*.