

[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.

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**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*.