

# DEBITS TAX BILL 2001

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum provides detailed notes on the operation of each clause of the Debits Tax Bill 2001. This Bill will replace the existing Debits Tax Act 1990. The repeal and where relevant, saving, of the Debits Tax Act 1990 can be found in the Taxation Administration (Consequential Provisions) Bill 2001.

The attachment to this document includes a table of cross-referenced sections, showing the Debits Tax Act 1990 provisions with equivalent Debits Tax Bill 2001 and Taxation Administration Bill provisions. A reversed table is also attached.

### PART 1 - PRELIMINARY

#### **Clause 1: Short title**

This clause provides that the Act is to be cited as the Debits Tax Act 2001.

#### **Clause 2: Commencement**

This clause provides for the Act to operate on the day on which the Taxation Administration Act 2001 comes into operation. A combined operation date for both Acts is necessary as the Taxation Administration Bill contains the relevant administrative provisions applicable to debits tax. It is intended that the commencement date of the Taxation Administration Act 2001 will be 1 July 2002.

#### **Clause 3: Relationship with other Acts**

This provision is a general interpretation provision relevant to the application of the Debits Tax Act 2001 ("the Act").

It combines the Taxation Administration Act 2001, the Debits Tax Assessment Act 2001 and this Act, so that they can be read as if they constituted one Act.

#### **Clause 4: Meaning of terms**

This clause provides the status of the Glossary at the end of the Debits Tax Assessment Act and the Taxation Administration Act, insofar as they include terms that are used in the Act or affect the meaning of the Act. It also notes that the Glossaries may affect the operation of other provisions.

#### **Clause 5: Rates of tax**

This clause imposes debits tax in accordance with the requirements set down by section 46(7) of the Constitution Acts Amendment Act 1899, which requires that "Bills imposing taxation shall deal only with the imposition of taxation".

Accordingly, this clause sets out the rates of debits tax that are imposed by this Act according to the amount of the debit.

<b>Debits tax rates</b>	
<b>Amount of debit</b>	<b>Amount of debits tax</b>
less than	\$1 nil
.....	
\$1 – \$99.99 .....	\$0.30
\$100 – \$499.99 .....	\$0.70
\$500 – \$4 999.99 .....	\$1.50
\$5 000 – \$9 999.99 .....	\$3.00
\$10 000 or more	\$4.00
.....	

## ATTACHMENT

## CONVERSION TABLE – DEBITS TAX ACT 1990 TO DEBITS TAX BILL 2001

OLD SECTION	OLD SECTION NUMBER	NEW SECTION	NEW SECTION NUMBER
Short title	1	Short title	1
Commencement	2	Commencement	2
Incorporation of Debits Tax Assessment Act 1990	3	Relationship with other Acts	3
Imposition of tax	4(1)(a) and (b)	Rates of tax	5
Imposition of tax	4(1)(c)	Debits tax on debits – Debits Tax Assessment Act	6
Imposition of tax	4(2)	Debits tax on debits – Debits Tax Assessment Act	6
Imposition of tax	4(3)	Debits tax on debits – Debits Tax Assessment Act	6
Amount of tax	5	Rates of tax	5

## CONVERSION TABLE – DEBITS TAX BILL 2001 TO DEBITS TAX ACT 1990

NEW SECTION	NEW SECTION NUMBER	OLD SECTION	OLD SECTION NUMBER
Short title	1	Short title	1
Commencement	2	Commencement	2
Relationship with other Acts	3	Incorporation of Debits Tax Assessment Act 1990	3
Meaning of terms	4	No equivalent	N/A
Rates of tax	5	Imposition of tax & amount of tax	4 & 5

