



Income Tax Rates Act 1986

Act No. 107 of 1986 as amended

This compilation was prepared on 28 September 2007
taking into account amendments up to Act No. 143 of 2007

The text of any of those amendments not in force
on that date is appended in the Notes section

The operation of amendments that have been incorporated may be
affected by application provisions that are set out in the Notes section

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An Act to declare the rates of income tax

Part I—Preliminary

1 Short title [see Note 1]

This Act may be cited as the *Income Tax Rates Act 1986*.

2 Commencement [see Note 1]

This Act shall come into operation on the day on which it receives the Royal Assent.

3 Interpretation

- (1) In this Act, unless the contrary intention appears:

abnormal income amount, in relation to the taxable income of a taxpayer of a year of income, means any above-average special professional income included in the taxpayer's taxable income for the year of income under section 405-15 of the *Income Tax Assessment Act 1997*.

Assessment Act means the *Income Tax Assessment Act 1936*.

complying ADF means a complying approved deposit fund as defined in the *Income Tax Assessment Act 1997*.

complying superannuation class of the taxable income of a life insurance company has the same meaning as in the *Income Tax Assessment Act 1997*.

complying superannuation fund has the same meaning as in the *Income Tax Assessment Act 1997*.

corporate unit trust, in relation to a year of income, means a unit trust that is a corporate unit trust, within the meaning of Division 6B of Part III of the Assessment Act, in relation to the year of income.

eligible ADF means a fund that is a complying approved deposit fund or a non-complying approved deposit fund, as defined in the *Income Tax Assessment Act 1997*.

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eligible part, in relation to the special income component of the taxable income of a taxpayer, means so much of the special income component as is eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act.

eligible superannuation fund means a fund that is a complying superannuation fund or a non-complying superannuation fund, as defined in the *Income Tax Assessment Act 1997*.

employment termination remainder of taxable income means so much of the taxable income as:

- (a) is included in assessable income under a maximum tax rate provision in Division 82 of the *Income Tax Assessment Act 1997* or Division 82 of the *Income Tax (Transitional Provisions) Act 1997*; and
- (b) does not give rise to an entitlement to a tax offset under that maximum tax rate provision.

friendly society has the same meaning as in the *Income Tax Assessment Act 1997*.

life insurance company has the same meaning as in the *Life Insurance Act 1995*.

low tax component has the same meaning as in the *Income Tax Assessment Act 1997*.

maximum tax rate provision means any of the following provisions:

- (a) section 82-10 of the *Income Tax Assessment Act 1997*;
- (b) section 82-65 of the *Income Tax Assessment Act 1997*;
- (c) section 82-70 of the *Income Tax Assessment Act 1997*;
- (d) section 301-95 of the *Income Tax Assessment Act 1997*;
- (e) section 301-105 of the *Income Tax Assessment Act 1997*;
- (f) section 301-115 of the *Income Tax Assessment Act 1997*;
- (g) section 82-10A of the *Income Tax (Transitional Provisions) Act 1997*;
- (h) section 82-10C of the *Income Tax (Transitional Provisions) Act 1997*.

non-arm's length component has the same meaning as in the *Income Tax Assessment Act 1997*.

non-complying ADF means a fund that, at all times during the year of income when the fund is in existence, is an approved deposit fund within the meaning of the *Income Tax Assessment Act 1997*, but does not include a fund that is a complying ADF.

non-complying superannuation fund has the same meaning as in the *Income Tax Assessment Act 1997*.

non-profit company means:

- (a) a company that is not carried on for the purposes of profit or gain to its individual members and is, by the terms of the company's constituent document, prohibited from making any distribution, whether in money, property or otherwise, to its members; or
- (b) a friendly society dispensary.

non-resident beneficiary, in relation to a year of income, means a beneficiary of a trust estate who is a prescribed non-resident in relation to that year of income.

non-resident taxpayer, in relation to a year of income, means a taxpayer who is a prescribed non-resident in relation to that year of income.

non-resident trust estate, in relation to a year of income, means a trust estate that is not a resident trust estate in relation to that year of income.

no-TFN contributions income has the same meaning as in the *Income Tax Assessment Act 1997*.

ordinary class of the taxable income of a life insurance company has the same meaning as in the *Income Tax Assessment Act 1997*.

ordinary taxable income means the taxable income, reduced by the superannuation remainder of the taxable income and by the employment termination remainder of the taxable income.

PDF (pooled development fund) has the same meaning as in the Assessment Act.

PDF component has the same meaning as in the Assessment Act.

pooled superannuation trust has the same meaning as in the *Income Tax Assessment Act 1997*.

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prescribed non-resident, in relation to a year of income, means a person who, at all times during the year of income, is a non-resident, not being a person to whom, at any time during the year of income, compensation or a pension, allowance or benefit is payable under:

- (a) the *Veterans' Entitlements Act 1986*;
- (b) subsection 4(6) of the *Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986*; or
- (ba) the *Military Rehabilitation and Compensation Act 2004*; or
- (c) the *Social Security Act 1991*;

being compensation or a pension, allowance or benefit in respect of which the person is liable to be assessed and to pay income tax in Australia.

prescribed unit trust, in relation to a year of income, means a trust estate that:

- (a) is a corporate unit trust in relation to the year of income; or
- (b) is a public trading trust in relation to the year of income.

public trading trust, in relation to a year of income, means a unit trust that is a public trading trust, within the meaning of Division 6C of Part III of the Assessment Act, in relation to the year of income.

reduced taxable income means the part (if any) of the taxable income other than the special income component.

resident beneficiary, in relation to a year of income, means a beneficiary of a trust estate who is not a prescribed non-resident in relation to that year of income.

resident taxpayer, in relation to a year of income, means a taxpayer who is not a prescribed non-resident in relation to that year of income.

resident trust estate, in relation to a year of income, means a trust estate that, under subsection 95(2) of the Assessment Act, is to be taken to be a resident trust estate in relation to that year of income.

RSA component has the same meaning as in the *Income Tax Assessment Act 1997*.

SME income component has the same meaning as in Subdivision B of Division 10E of Part III of the Assessment Act.

special income component, in relation to a taxable income for which there is an abnormal income amount, means:

- (a) so much of the taxable income as does not exceed the abnormal income amount; or
- (b) if the sum (the **component sum**) of:
 - (i) the abnormal income amount; and
 - (ii) the superannuation remainder of the taxable income; and
 - (iii) the employment termination remainder of the taxable income;is more than the taxable income—the abnormal income amount, reduced by the amount by which the component sum exceeds the taxable income.

standard component has the same meaning as in the *Income Tax Assessment Act 1997*.

superannuation remainder of taxable income means so much of the taxable income as:

- (a) is included in assessable income under a maximum tax rate provision in Division 301 of the *Income Tax Assessment Act 1997*; and
- (b) does not give rise to an entitlement to a tax offset under that maximum tax rate provision.

tax means income tax imposed as such by any Act other than income tax payable in accordance with section 121H, 126, 128B, 128N, 128NA, 128NB, 128T, 128V, 136A or 159C of the Assessment Act.

tax offset has the same meaning as in the *Income Tax Assessment Act 1997*.

unregulated investment component has the same meaning as in Subdivision B of Division 10E of Part III of the Assessment Act.

- (2) In this Act:
 - (a) a reference to net income, taxable income or reduced taxable income shall be read as a reference to net income, taxable

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income or reduced taxable income, as the case may be, of the year of income; and

- (b) a reference to eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act shall be read as a reference to eligible taxable income of the year of income for the purposes of that Division.
- (3) A reference in this Act to the part to which Division 6AA of Part III of the Assessment Act applies of the share of a beneficiary of the net income of a trust estate shall, if that Division applies to the whole of such a share, be read as a reference to the whole of that share.

4 Incorporation

The Assessment Act is incorporated, and shall be read as one, with this Act.

Part II—Rates of income tax payable upon incomes other than incomes of companies, prescribed unit trusts, superannuation funds and certain other trusts

Division 1—Preliminary

5 Interpretation

In this Part, *tax* means:

- (a) tax payable by a natural person, other than:
 - (i) a person in the capacity of a trustee of an eligible superannuation fund;
 - (ii) a person in the capacity of a trustee of a prescribed unit trust;
 - (iii) a person in the capacity of a trustee of an eligible ADF;
 - (iiia) a person in the capacity of a trustee of a pooled superannuation trust; or
 - (iv) a person in the capacity of a trustee of a trust estate, being a person who is liable to be assessed and to pay tax under paragraph 98(3)(b) or subsection 98(4) of the Assessment Act; or
- (b) tax payable by a company in the capacity of a trustee, other than:
 - (i) a company in the capacity of a trustee of an eligible superannuation fund;
 - (ii) a company in the capacity of a trustee of a prescribed unit trust;
 - (iii) a company in the capacity of a trustee of an eligible ADF;
 - (iiia) a company in the capacity of a trustee of a pooled superannuation trust; or
 - (iv) a company in the capacity of a trustee of a trust estate, being a company that is liable to be assessed and to pay tax under paragraph 98(3)(b) or subsection 98(4) of the Assessment Act.

Part II Rates of income tax payable upon incomes other than incomes of companies, prescribed unit trusts, superannuation funds and certain other trusts

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Division 3—Rates of tax

Subdivision B—Rates of tax and notional rates

12 Rates of tax and notional rates

- (1) Except as otherwise provided by this Division, the rates of tax are as set out in Schedule 7.
- (2) The notional rates for the purposes of section 156 of the Assessment Act are as set out in Schedule 8.
- (4) For every dollar of so much of the net income of a trust estate as is equal to the deemed net income from primary production, the rate of complementary tax for the purposes of subsection 156(5A) of the Assessment Act is the amount ascertained by dividing the amount of the excess referred to in paragraph (b) of that subsection by the number of whole dollars in the eligible net income of the trust estate.
- (6) Subject to sections 13, 14 and 15, the rates of tax payable by a trustee under section 98 or 99 of the Assessment Act are as set out in Schedule 10.
- (7) The rate of further tax payable by a person under subsection 94(9) of the Assessment Act is:
 - (a) in respect of the part of the taxable income of the person that is the relevant part of that taxable income for the purposes of subsections 94(10A) and (10B) of the Assessment Act—the amount (if any) per dollar ascertained in accordance with the formula $\frac{A - B}{C}$, where:
 - A** is an amount equal to 45% of the taxable income of the person;
 - B** is the amount of tax (if any) that, but for this subsection, section 12A and any rebate, credit or other tax offset (as defined in the *Income Tax Assessment Act 1997*) to which the person is entitled, would be payable by the person in respect of the taxable income of the person; and

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- C** is the number of whole dollars in the taxable income of the person; and
- (b) in respect of the part of the taxable income of the person that is the prescribed part of that taxable income for the purposes of subsection 94(10B) of the Assessment Act—the amount (if any) per dollar ascertained in accordance with the formula $\frac{A - B}{C}$, where:
- A** is an amount equal to 45% of the taxable income of the person;
- B** is the amount of tax (if any) that would be payable by the person on the person's taxable income if:
- (i) the comparison rate described in section 392-55 of the *Income Tax Assessment Act 1997* were the rate of tax payable by the person on that income; and
 - (ii) this subsection and section 12A did not apply; and
 - (iii) the person were not entitled to any rebate, credit or other tax offset (as defined in the *Income Tax Assessment Act 1997*); and
- C** is the number of whole dollars in the taxable income of the person.
- (8) The rate of further tax payable by a trustee under subsection 94(11) or (12) of the Assessment Act is:
- (a) in respect of the part of the net income of the trust estate that is the relevant part of that net income for the purposes of subsections 94(12A) and (12B) of the Assessment Act—the amount (if any) per dollar ascertained in accordance with the formula $\frac{A - B}{C}$, where:
- A** is an amount equal to 45% of the net income of the trust estate in respect of which the trustee is liable to be assessed and to pay tax under section 98 or 99 of the Assessment Act;
- B** is the amount of tax (if any) that, but for this subsection, subsection (4) and any rebate, credit or other tax offset (as defined in the *Income Tax Assessment Act 1997*) to which the trustee is entitled, would be payable by the trustee in respect of that net income; and
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C is the number of whole dollars in that net income; and

- (b) in respect of the part of the net income of the trust estate that is the prescribed part of that net income for the purposes of subsection 94(12B) of the Assessment Act—the amount (if any) per dollar ascertained in accordance with the formula

$$\frac{A - B}{C}, \text{ where:}$$

A is an amount equal to 45% of the net income of the trust estate in respect of which the trustee is liable to be assessed and to pay tax under section 98 or 99 of the Assessment Act;

B is the amount of tax (if any) that, but for this subsection, subsection (4) and any rebate, credit or other tax offset (as defined in the *Income Tax Assessment Act 1997*) to which the trustee is entitled, would be payable by the trustee in respect of that net income if the notional rates declared by this Division for the purposes of section 156 of the Assessment Act were the rates of tax payable by the trustee in respect of that net income; and

C is the number of whole dollars in that net income.

- (9) The rate of tax payable by a trustee in respect of the net income of a trust estate in respect of which the trustee is liable, under section 99A of the Assessment Act, to be assessed and to pay tax is 45%.

12A Rate of extra income tax for primary producers

- (1) This section sets the rate of extra income tax payable under subsection 392-35(3) of the *Income Tax Assessment Act 1997* on every dollar of a taxpayer's averaging component for a year of income.

- (2) The rate is worked out using the formula:

$$\frac{\text{Averaging adjustment}}{\text{Averaging component}}$$

Rate if taxable income is less than tax-free threshold adjusted by family tax assistance

(6) In this section:

averaging adjustment means the taxpayer's smoothing adjustment, worked out for the year of income under section 392-75 of the *Income Tax Assessment Act 1997*.

averaging component means the taxpayer's averaging component in whole dollars, worked out for the year of income under Subdivision 392-C of the *Income Tax Assessment Act 1997*.

Subdivision C—Resident taxpayers, resident beneficiaries and resident trust estates

13 Rates of tax where Division 6AA of Part III of the Assessment Act applies

- (1) The rates of tax in respect of the taxable income of a resident taxpayer:
 - (a) who is a prescribed person in relation to the year of income for the purposes of Division 6AA of Part III of the Assessment Act; and
 - (b) who has, for the purposes of that Division, an eligible taxable income of an amount exceeding \$416;are as set out in Part I of Schedule 11.
- (2) Where the eligible taxable income of a resident taxpayer for the purposes of Division 6AA of Part III of the Assessment Act exceeds \$416 but does not exceed \$1,307, the amount of tax payable under subsection (1) in respect of that eligible taxable income shall not exceed:
 - (a) 66% of the amount by which that eligible taxable income exceeds \$416; or
 - (b) the amount ascertained by deducting from the amount of tax that would be payable by the taxpayer if the rates set out in Part I of Schedule 7 were applied to the taxable income of the taxpayer the amount of tax that would be payable by the taxpayer if those rates were applied to the taxable income of the taxpayer reduced by the amount of that eligible taxable income;

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whichever is the greater.

(3) Where:

- (a) a trustee of a trust estate is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of the share of a resident beneficiary of the net income of the trust estate;
- (b) Division 6AA of Part III of the Assessment Act applies to a part of that share; and
- (c) the part of that share to which that Division applies exceeds \$416;

the rates of tax payable by the trustee in respect of that share of the net income of the trust estate are as set out in Part I of Schedule 12.

(4) Where:

- (a) a trustee of a trust estate is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of the share of a resident beneficiary of the net income of the trust estate;
- (b) Division 6AA of Part III of the Assessment Act applies to a part of that share;
- (c) the part of that share to which that Division applies does not exceed \$416;
- (d) Division 6AA of Part III of the Assessment Act also applies to a part of the share of the beneficiary of the net income of another trust estate or to parts of the shares of the beneficiary of the net incomes of other trust estates; and
- (e) the sum of the part referred to in paragraph (b) and the part or parts referred to in paragraph (d) exceeds \$416;

the trustee of the trust estate referred to in paragraph (a) is liable to pay tax in respect of the share of the net income of the trust estate referred to in that paragraph at the rates set out in Part I of Schedule 12.

(5) Where:

- (a) the amount of tax that a trustee of a trust estate is liable to pay in respect of the share of a resident beneficiary of the net income of the trust estate is, by virtue of subsection (4), to be calculated in accordance with Part I of Schedule 12; and

- (b) the sum of:
- (i) the part of that share to which Division 6AA of Part III of the Assessment Act applies; and
 - (ii) the part of the share of the beneficiary of the net income of the other trust estate or the parts of the shares of the beneficiary of the net incomes of the other trust estates, as the case may be, to which that Division applies;
- does not exceed \$1,307;

the tax that, apart from this subsection, would be payable by the trustee in respect of the share referred to in paragraph (a) shall be reduced by such amount (if any) as, in the opinion of the Commissioner, is fair and reasonable.

- (6) Subject to subsection (7), where:
- (a) the trustee of a trust estate is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of the share of a resident beneficiary of the net income of the trust estate;
 - (b) Division 6AA of Part III of the Assessment Act applies to a part (in this subsection referred to as the *eligible part*) of that share; and
 - (c) the eligible part of that share exceeds \$416 but does not exceed \$1,307;

the amount of tax payable under subsection (3) in respect of the eligible part of that share shall not exceed:

- (d) 66% of the amount by which the eligible part of that share exceeds \$416; or
- (e) the amount ascertained by deducting from the amount of tax that would be payable by the trustee if the rates referred to in Part I of Schedule 10 were applied to that share of that net income the amount of tax that would be payable by the trustee if those rates were applied to that share of that net income reduced by the amount of the eligible part of that share;

whichever is the greater.

- (7) Subsection (6) does not apply in relation to the share of a beneficiary of the net income of a trust estate if Division 6AA of Part III of the Assessment Act applies to a part of a share of the beneficiary of the net income of another trust estate or to parts of

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the shares of the beneficiary of the net incomes of other trust estates.

(8) Where:

(a) by reason of the application of subsection (7), subsection (6) does not apply in relation to the share of a beneficiary of the net income of a trust estate in respect of which a trustee is liable to be assessed and to pay tax under section 98 of the Assessment Act; and

(b) the sum of:

(i) the part of that share to which Division 6AA of Part III of the Assessment Act applies; and

(ii) the part of the share of the beneficiary of the net income of the other trust estate or the parts of the shares of the beneficiary of the net incomes of the other trust estates, as the case may be, to which that Division applies;

does not exceed \$1,307;

the tax that, apart from this subsection, would be payable by the trustee in respect of the share referred to in paragraph (a) shall be reduced by such amount (if any) as, in the opinion of the Commissioner, is fair and reasonable.

(9) In forming an opinion for the purposes of subsection (5) or (8) (in this subsection referred to as the *relevant subsection*) in relation to the share of a beneficiary of the net income of a trust estate of a year of income, the Commissioner shall have regard to:

(a) any limitation that would be applicable under subsection (6) on the amount of tax that would be payable by a trustee in accordance with Part I of Schedule 12 in respect of a share of the net income of a trust estate of the year of income of an amount equal to the sum of the shares referred to in paragraph (b) of the relevant subsection if:

(i) Division 6AA of Part III of the Assessment Act applied to so much of that share as is equal to the sum of the parts of the shares referred to in paragraph (b) of the relevant subsection; and

(ii) that share were a share of a resident beneficiary who is not presently entitled to a share of the income of the year of income of any other trust estate;

(b) the amount of any reduction previously granted by the Commissioner under subsection (5) or (8) in relation to the

- share of the beneficiary of the net income of the year of
income of any other trust estate; and
(c) such other matters (if any) as the Commissioner thinks fit.

14 Limitation on tax payable by certain trustees

(1) Where:

- (a) the trustee of a resident trust estate is liable to be assessed and to pay tax under section 99 of the Assessment Act in respect of the net income or a part of the net income of the trust estate;
- (b) in the case of a trust estate of a deceased person, the deceased person died not less than 3 years before the end of the year of income; and
- (c) that net income or that part of the net income of the trust estate does not exceed \$416;

no tax is payable under subsection 12(6) in respect of that net income or that part of the net income, as the case may be.

(2) Where:

- (a) the trustee of a resident trust estate is liable to be assessed and to pay tax under section 99 of the Assessment Act in respect of the net income or a part of the net income of the trust estate;
- (b) in the case of a trust estate of a deceased person, the deceased person died not less than 3 years before the end of the year of income; and
- (c) that net income or that part of the net income of the trust estate exceeds \$416 but does not exceed \$594;

the amount of tax payable by the trustee under subsection 12(6) in respect of that net income or that part of the net income shall not exceed 50% of the amount by which that net income or that part of the net income, as the case may be, exceeds \$416, less any rebate or credit to which the trustee is entitled.

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Subdivision D—Non-resident taxpayers, non-resident beneficiaries and non-resident trust estates

15 Rates of tax where Division 6AA of Part III of the Assessment Act applies

- (1) The rates of tax in respect of the taxable income of a non-resident taxpayer:
 - (a) who is a prescribed person in relation to the year of income for the purposes of Division 6AA of Part III of the Assessment Act; and
 - (b) who has, for the purposes of that Division, an eligible taxable income;are as set out in Part II of Schedule 11.
- (2) Where the eligible taxable income of a non-resident taxpayer for the purposes of Division 6AA of Part III of the Assessment Act:
 - (a) does not exceed \$416—the amount of tax payable under subsection (1) in respect of that eligible taxable income shall not exceed:
 - (i) 29% of that eligible taxable income; or
 - (ii) the amount ascertained by deducting from the amount of tax that would be payable by the taxpayer if the rates set out in Part II of Schedule 7 were applied to the taxable income of the taxpayer the amount of tax that would be payable by the taxpayer if those rates were applied to the taxable income of the taxpayer reduced by the amount of that eligible taxable income;whichever is the greater; or
 - (b) exceeds \$416 but does not exceed \$732—the amount of tax payable under subsection (1) in respect of that eligible taxable income shall not exceed:
 - (i) the sum of \$120.64 and 66% of the amount by which that eligible taxable income exceeds \$416; or
 - (ii) the amount ascertained by deducting from the amount of tax that would be payable by the taxpayer if the rates set out in Part II of Schedule 7 were applied to the taxable income of the taxpayer the amount of tax that would be payable by the taxpayer if those rates were applied to

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the taxable income of the taxpayer reduced by the
amount of that eligible taxable income;
whichever is the greater.

(3) Where:

- (a) a trustee of a trust estate is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of the share of a non-resident beneficiary of the net income of the trust estate; and
- (b) Division 6AA of Part III of the Assessment Act applies to a part of that share;

the rates of tax payable by the trustee in respect of that share of the net income of the trust estate are as set out in Part II of Schedule 12.

(4) Subject to subsection (5), where:

- (a) the trustee of a trust estate is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of the share of a non-resident beneficiary of the net income of the trust estate; and
- (b) Division 6AA of Part III of the Assessment Act applies to a part (in this subsection referred to as the *eligible part*) of that share;

the amount of tax payable under subsection (3) in respect of the eligible part of that share shall not exceed:

- (c) where the eligible part of that share does not exceed \$416:
 - (i) 29% of the amount of the eligible part of that share; or
 - (ii) the amount ascertained by deducting from the amount of tax that would be payable by the trustee if the rates referred to in Part II of Schedule 10 were applied to that share of that net income the amount of tax that would be payable by the trustee if those rates were applied to that share of that net income reduced by the amount of the eligible part of that share;whichever is the greater; or
- (d) where the eligible part of that share exceeds \$416 but does not exceed \$732:
 - (i) the sum of \$120.64 and 66% of the amount by which the eligible part of that share exceeds \$416; or

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- (ii) the amount ascertained by deducting from the amount of tax that would be payable by the trustee if the rates referred to in Part II of Schedule 10 were applied to that share of that net income the amount of tax that would be payable by the trustee if those rates were applied to that share of that net income reduced by the amount of the eligible part of that share;
whichever is the greater.
- (5) Subsection (4) does not apply in relation to the share of a beneficiary of the net income of a trust estate if Division 6AA of Part III of the Assessment Act applies to a part of a share of the beneficiary of the net income of another trust estate or to parts of the shares of the beneficiary of the net incomes of other trust estates.
- (6) Where:
 - (a) by reason of the application of subsection (5), subsection (4) does not apply in relation to the share of a beneficiary of the net income of a trust estate in respect of which a trustee is liable to be assessed and to pay tax under section 98 of the Assessment Act; and
 - (b) the sum of:
 - (i) the part of that share to which Division 6AA of Part III of the Assessment Act applies; and
 - (ii) the part of the share of the beneficiary of the net income of the other trust estate or the parts of the shares of the beneficiary of the net incomes of the other trust estates, as the case may be, to which that Division applies;
does not exceed \$732;the tax that, apart from this subsection, would be payable by the trustee in respect of the share referred to in paragraph (a) shall be reduced by such amount (if any) as, in the opinion of the Commissioner, is fair and reasonable.
- (7) In forming an opinion for the purposes of subsection (6) in relation to the share of a beneficiary of the net income of a trust estate of a year of income, the Commissioner shall have regard to:
 - (a) any limitation that would be applicable under subsection (4) on the amount of tax that would be payable by a trustee in accordance with Part II of Schedule 12 in respect of a share

Section 15

of the net income of a trust estate of the year of income of an amount equal to the sum of the shares referred to in paragraph (6)(b) if:

- (i) Division 6AA of Part III of the Assessment Act applied to so much of that share as is equal to the sum of the parts of the shares referred to in paragraph (6)(b); and
 - (ii) that share were a share of a non-resident beneficiary who is not presently entitled to a share of the income of the year of income of any other trust estate;
- (b) the amount of any reduction previously granted by the Commissioner under subsection (6) in relation to the share of the beneficiary of the net income of the year of income of any other trust estate; and
- (c) such other matters (if any) as the Commissioner thinks fit.

Part II Rates of income tax payable upon incomes other than incomes of companies, prescribed unit trusts, superannuation funds and certain other trusts

Division 4 Pro-rating of the tax-free threshold

Section 16

Division 4—Pro-rating of the tax-free threshold

16 Interpretation

In this Division:

beneficiary, in relation to a trust estate, includes a person who is capable (whether by the exercise of a power of appointment or otherwise) of benefiting under the trust.

eligible pensioner, in relation to a year of income, means a person to whom, at any time during the year of income, compensation or a pension, allowance or benefit is payable under:

- (a) the *Veterans' Entitlements Act 1986*;
- (b) subsection 4(6) of the *Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986*; or
- (ba) the *Military Rehabilitation and Compensation Act 2004*; or
- (c) a provision of the *Social Security Act 1991* other than Part 2.11, 2.12, 2.14, 2.15 or 3.15A of that Act;

being compensation or a pension, allowance or benefit in respect of which the person is liable to be assessed and to pay income tax in Australia.

18 Part-year residency period

- (1) Subject to subsection (2), the following periods are part-year residency periods in relation to a person in relation to a year of income:
 - (a) where the person was a resident at the beginning of the first month of the year of income and continued to be a resident until a time during a subsequent month in the year of income when the person ceased to be a resident—the period from the beginning of the year of income until the end of that subsequent month;
 - (b) where the person commenced to be a resident during a month of the year of income and continued to be a resident until the end of the year of income—the period from the beginning of that month until the end of the year of income;

- (c) where the person commenced to be a resident during a month of the year of income and continued to be a resident until a time during a subsequent month of the year of income when the person ceased to be a resident—the period from the beginning of that first-mentioned month until the end of that subsequent month.
- (2) A period shall not be taken to be a part-year residency period in relation to a person in relation to a year of income if:
- (a) the person is an eligible pensioner in relation to the year of income; or
 - (b) the period is the whole of the year of income.

20 Pro-rating of the tax-free threshold

- (1) If there are one or more part-year residency periods in relation to a person in relation to a year of income, this Act applies in relation to the person and the year of income as if the reference in the table in Part I of Schedule 7 to \$6,000 were a reference to the amount calculated in accordance with the following formula:

$$\begin{array}{l} \text{Number of months in the year of income} \\ \$500 \times \text{during which there is a part-year residency period} \\ \text{in relation to the person and the year of income} \end{array}$$

- (2) Subsection (1) does not apply in calculating the tax payable by the trustee of a trust estate under section 98 of the Assessment Act in respect of a share of a beneficiary of the net income of the trust estate of a year of income but, where there are one or more part-year residency periods in relation to the beneficiary in relation to the year of income, this Act applies in calculating the tax payable by the trustee in respect of that share as if the reference in the table in Part I of Schedule 7 to \$6,000 were a reference to the amount calculated in accordance with the formula **AB**, where:
- A** is \$500;
 - B** is the number of months in the year of income when a part-year residency period, or part-year residency periods, in relation to the beneficiary in relation to the year of income subsisted.
- (3) Subsection (1) does not apply in calculating the tax payable by the trustee of a trust estate under section 99 of the Assessment Act.

Section 21

Part III—Rates of income tax payable upon incomes of companies, prescribed unit trusts, superannuation funds and certain other trusts

21 Interpretation

In this Part, *tax* does not include tax within the meaning of Part II.

22 Act to be deemed to be the Act declaring rates of income tax

For the purposes of subsection 104(1) of the Assessment Act, this Act shall be deemed to be the Act declaring the rates of income tax payable for the financial year commencing on 1 July 1986 and for all subsequent financial years.

23 Rates of tax payable by companies

(1A) This section has effect subject to section 23A.

- (1) The rates of tax payable by a company, other than a company in the capacity of a trustee, are as set out in the following provisions of this section.
- (2) The rate of tax in respect of the taxable income of a company not being:
 - (a) a life insurance company; or
 - (b) an RSA provider; or
 - (c) a company to which subsection (4C) or (4D) applies;is 30%.
- (3) The rates of tax in respect of the taxable income of a company (other than a life insurance company) that is an RSA provider are:
 - (a) in respect of the RSA component—15%; and
 - (b) in respect of the standard component—30%.

Section 23A

- (4) The rates of tax in respect of the taxable income of a company that becomes a PDF during a year of income and is still a PDF at the end of the year of income are:
 - (a) in respect of the SME income component—15%; and
 - (b) in respect of the unregulated investment component—25%; and
 - (c) in respect of so much of the taxable income as exceeds the PDF component—30%.
- (5) The rates of tax in respect of the taxable income of a company that is a PDF throughout the year of income are:
 - (a) in respect of the SME income component—15%; and
 - (b) in respect of the unregulated investment component—25%.
- (6) Where the taxable income of a non-profit company does not exceed \$915, the amount of tax payable by the company shall not exceed 55% of the amount by which the taxable income exceeds \$416 less any rebate, credit or other tax offset (as defined in the *Income Tax Assessment Act 1997*) to which the company is entitled.
- (7) The amount of tax payable by a company that is a recognised medium credit union in relation to a year of income must not exceed 45% of the amount by which the taxable income exceeds \$49,999 less any rebate, credit or other tax offset (as defined in the *Income Tax Assessment Act 1997*) to which the company is entitled.

23A Rates of tax payable by life insurance companies

The rates of tax in respect of the taxable income of a life insurance company are:

- (a) in respect of the ordinary class—30%; and
- (b) in respect of the complying superannuation class—15%.

24 Rate of tax payable by trustees of corporate unit trusts

The rate of tax payable by a trustee of a corporate unit trust in respect of the net income of the corporate unit trust in respect of which the trustee is liable, under section 102K of the Assessment Act, to be assessed and to pay tax is 30%.

Section 25

25 Rate of tax payable by trustees of public trading trusts

The rate of tax payable by a trustee of a public trading trust in respect of the net income of the public trading trust in respect of which the trustee is liable, under section 102S of the Assessment Act, to be assessed and to pay tax is 30%.

26 Rates of tax payable by trustees of superannuation funds

- (1) The rates of tax payable by a trustee of a complying superannuation fund in respect of the taxable income of the fund are:
 - (a) in respect of the low tax component—15%; and
 - (b) in respect of the non-arm's length component—45%.
- (2) The rate of tax payable by a trustee of a non-complying superannuation fund in respect of the taxable income of the fund is 45%.

27 Rates of tax payable by trustees of approved deposit funds

- (1) The rates of tax payable by a trustee of a complying ADF in respect of the taxable income of the fund are:
 - (a) in respect of the low tax component—15%; and
 - (b) in respect of the non-arm's length component—45%.
- (2) The rate of tax payable by a trustee of a non-complying ADF in respect of the taxable income of the fund is 45%.

27A Rates of tax payable by trustees of pooled superannuation trusts

The rates of tax payable by a trustee of a pooled superannuation trust in respect of the taxable income of the trust are:

- (a) in respect of the low tax component—15%; and
- (b) in respect of the non-arm's length component—45%.

28 Rates of tax payable by certain trustees to whom section 98 of the Assessment Act applies

The rates of tax payable by a trustee of a trust estate in respect of a share of the net income of the trust estate in respect of which the trustee is liable to be assessed and to pay tax are:

- (a) if paragraph 98(3)(b) of the Assessment Act applies—the rate specified in subsection 23(2) (about companies); and
- (b) if subsection 98(4) of the Assessment Act applies—the maximum rate specified in column 3 of the table in Part II of Schedule 7 to this Act that applies for the year of income.

Note: If paragraph 98(3)(a) of the Assessment Act applies, see subsection 12(6).

29 Rate of tax on no-TFN contributions income

- (1) This section sets the rate of tax payable:
 - (a) by a trustee of a complying superannuation fund in respect of the no-TFN contributions income of the fund; and
 - (b) by a trustee of a non-complying superannuation fund in respect of the no-TFN contributions income of the fund; and
 - (c) by a company that is an RSA provider in respect of no-TFN contributions income.
- (2) The rate of tax is worked out in the following way:
 - (a) first, work out the maximum rate specified in column 3 of the table in Part I of Schedule 7 to this Act that applies for the year of income;
 - (b) next, add 1.5%;
 - (c) next, subtract the rate of tax:
 - (i) for a trustee of a complying superannuation fund—set out in paragraph 26(1)(a); or
 - (ii) for a trustee of a non-complying superannuation fund—set out in subsection 26(2); or
 - (iii) for a company (other than a life insurance company) that is an RSA provider—set out in paragraph 23(3)(a); or
 - (iv) for a life insurance company that is an RSA provider—set out in paragraph 23A(b).

Schedule 7—General rates of tax

Subsection 12(1)

Part I—Resident taxpayers

1. Subject to clauses 2 and 3, the rates of tax on the taxable income of a resident taxpayer are as follows:
 - (a) 45% for the superannuation remainder (if any) of the taxable income;
 - (aa) 45% for the employment termination remainder (if any) of the taxable income;
 - (b) for each part of the ordinary taxable income specified in the table—the rate applicable under the table.

Tax rates for resident taxpayers		
Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
1	exceeds \$6,000 but does not exceed \$30,000	15%
2	exceeds \$30,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	40%
4	exceeds \$180,000	45%

2. Where:
 - (a) the taxable income of a resident taxpayer consists of or includes a special income component; and
 - (b) Division 16 of Part III of the Assessment Act does not apply to the income of the taxpayer; and
 - (c) Division 392 (Long-term averaging of primary producers' tax liability) of the *Income Tax Assessment Act 1997* does not apply to the taxpayer's assessment;

the rate of tax for every \$1 of the taxable income is the amount

ascertained in accordance with the formula $\frac{A + B}{C}$, where:

A is the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the reduced taxable income;

B is 5 times the difference between:

- (c) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the sum of:
 - (i) the reduced taxable income; and
 - (ii) 20% of the special income component of the taxable income; and
- (d) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the reduced taxable income; and

C is the number of whole dollars in the taxable income.

In applying the formula, component **B** is to be worked out on the assumption that the whole of the taxable income is ordinary taxable income.

3. Where:

- (a) the taxable income of a resident taxpayer consists of or includes a special income component; and
- (b) Division 16 of Part III of the Assessment Act applies to the income of the taxpayer or Division 392 (Long-term averaging of primary producers' tax liability) of the *Income Tax Assessment Act 1997* applies to the taxpayer's assessment;

the rate of tax for every \$1 of the taxable income is the amount ascertained in accordance with the formula $\frac{A + B}{C}$, where:

A is the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the reduced taxable income;

B is 5 times the difference between:

- (c) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the sum of:
 - (i) the average income; and
 - (ii) 20% of the special income component of the taxable income; and
- (d) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the average income; and

C is the number of whole dollars in the taxable income.

Schedule 7 General rates of tax

Part I Resident taxpayers

In applying the formula, component ***B*** is to be worked out on the assumption that the whole of the taxable income is ordinary taxable income.

Part II—Non-resident taxpayers

1. Subject to clauses 2 and 3, the rates of tax on the taxable income of a non-resident taxpayer are as follows:
 - (a) 45% for the superannuation remainder (if any) of the taxable income;
 - (aa) 45% for the employment termination remainder (if any) of the taxable income;
 - (b) for each part of the ordinary taxable income specified in the table—the rate applicable under the table.

Tax rates for non-resident taxpayers		
Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
1	does not exceed \$30,000	29%
2	exceeds \$30,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	40%
4	exceeds \$180,000	45%

2. Where:
 - (a) the taxable income of a non-resident taxpayer consists of or includes a special income component; and
 - (b) Division 16 of Part III of the Assessment Act does not apply to the income of the taxpayer; and
 - (c) Division 392 (Long-term averaging of primary producers' tax liability) of the *Income Tax Assessment Act 1997* does not apply to the taxpayer's assessment;the rate of tax for every \$1 of the taxable income is the amount ascertained in accordance with the formula $\frac{A + B}{C}$, where:
 - A** is the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the reduced taxable income;
 - B** is 5 times the difference between:
 - (c) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the sum of:

- (i) the reduced taxable income; and
- (ii) 20% of the special income component of the taxable income; and
- (d) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the reduced taxable income; and

C is the number of whole dollars in the taxable income.

In applying the formula, component **B** is to be worked out on the assumption that the whole of the taxable income is ordinary taxable income.

3. Where:

- (a) the taxable income of a non-resident taxpayer consists of or includes a special income component; and
- (b) Division 16 of Part III of the Assessment Act applies to the income of the taxpayer or Division 392 (Long-term averaging of primary producers' tax liability) of the *Income Tax Assessment Act 1997* applies to the taxpayer's assessment;

the rate of tax for every \$1 of the taxable income is the amount

ascertained in accordance with the formula $\frac{A + B}{C}$, where:

A is the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the reduced taxable income;

B is 5 times the difference between:

- (c) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the sum of:
 - (i) the average income; and
 - (ii) 20% of the special income component of the taxable income; and
- (d) the amount of tax that would be payable by the taxpayer under clause 1 on a taxable income equal to the average income; and

C is the number of whole dollars in the taxable income.

In applying the formula, component **B** is to be worked out on the assumption that the whole of the taxable income is ordinary taxable income.

Schedule 8—Notional rates for the purposes of section 156 of the Assessment Act

Subsection 12(2)

Part I—Resident taxpayers, resident beneficiaries and resident trust estates

Division 1—Normal notional rate

1. This Division applies to the income of a resident taxpayer, other than income in respect of which a trustee is liable to be assessed and to pay tax under section 98 or 99 of the Assessment Act, if Division 16 of Part III of the Assessment Act applies in relation to that income.
2. Subject to clause 3, the notional rate in respect of income to which this Division applies is, for every \$1 of the taxable income, the amount ascertained by determining the tax that would be payable if the rates set out in Part I of Schedule 7 were applied to a taxable income equal to the taxpayer's average income and dividing the resultant amount by a number equal to the number of whole dollars in that average income.
3. The notional rate in respect of income to which this Division applies is to be calculated under clause 2 as if Division 5 of Part II had not been enacted.

Division 2—Notional rates in respect of certain trust income

1. This Division applies:
 - (a) to a share of a resident beneficiary of the net income of a trust estate, if:
 - (i) the trustee of the trust estate is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of that share; and
 - (ii) Division 16 of Part III of the Assessment Act applies in relation to that share; and
 - (b) to the net income or a part of the net income of a resident trust estate, if:
 - (i) the trustee of the trust estate is liable to be assessed and to pay tax under section 99 of the Assessment Act in respect of that net income or that part of that net income of the trust estate; and
 - (ii) Division 16 of Part III of the Assessment Act applies in relation to that net income or that part of that net income.
2. The notional rate in respect of income to which this Division applies is:
 - (a) in a case where the income is:
 - (i) a share of the net income of a trust estate in respect of which the trustee is liable to be assessed and to pay tax under section 98 of the Assessment Act; or
 - (ii) the net income or a part of the net income of a trust estate in respect of which the trustee is liable to be assessed and to pay tax under section 99 of the Assessment Act, being the net income or a part of the net income of the estate of a deceased person who died less than 3 years before the end of the year of income;the rate that would be calculated in accordance with Division 1 if that income were the taxable income of one individual and were not income in respect of which a trustee is liable to be assessed and to pay tax under section 98 or 99 of the Assessment Act; and

- (b) in any other case—the rate that would be calculated in accordance with Division 1 in respect of a taxable income equal to the income if:
 - (i) that income were the taxable income of one individual and were not income in respect of which a trustee is liable to be assessed and to pay tax under section 99 of the Assessment Act; and
 - (ii) the reference in column 1 of the table in Part I of Schedule 7 to the part of the ordinary taxable income that exceeds \$6,000 but does not exceed \$30,000 were a reference to the part of the ordinary taxable income that does not exceed \$30,000.

Schedule 8 Notional rates for the purposes of section 156 of the Assessment Act

Part II Non-resident taxpayers, non-resident beneficiaries and non-resident trust estates

Division 1 Normal notional rate

Part II—Non-resident taxpayers, non-resident beneficiaries and non-resident trust estates

Division 1—Normal notional rate

1. This Division applies to the income of a non-resident taxpayer, other than income in respect of which a trustee is liable to be assessed and to pay tax under section 98 or 99 of the Assessment Act, if Division 16 of Part III of the Assessment Act applies in relation to that income.
2. The notional rate in respect of income to which this Division applies is, for every \$1 of the taxable income, the amount ascertained by determining the tax that would be payable if the rates set out in Part II of Schedule 7 were applied to a taxable income equal to the taxpayer's average income and dividing the resultant amount by a number equal to the number of whole dollars in that average income.

Division 2—Notional rates in respect of certain trust income

1. This Division applies:
 - (a) to a share of a non-resident beneficiary of the net income of a trust estate if:
 - (i) the trustee of the trust estate is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of that share; and
 - (ii) Division 16 of Part III of the Assessment Act applies in relation to that share; and
 - (b) to the net income or a part of the net income of a non-resident trust estate if:
 - (i) the trustee of the trust estate is liable to be assessed and to pay tax under section 99 of the Assessment Act in respect of that net income or that part of that net income of the trust estate; and
 - (ii) Division 16 of Part III of the Assessment Act applies in relation to that net income or that part of that net income.
2. The notional rate in respect of income to which this Division applies is the rate that would be calculated in accordance with Division 1 in respect of a taxable income equal to the income if that income were the taxable income of one individual and were not income in respect of which a trustee is liable to be assessed and to pay tax under section 98 or 99 of the Assessment Act.

Schedule 10—Rates of tax payable by a trustee under section 98 or 99 of the Assessment Act

Subsection 12(6)

Part I—Resident beneficiaries and resident trust estates

1. In the case of a trustee who is liable to be assessed and to pay tax:
 - (a) under section 98 of the Assessment Act in respect of a share of a resident beneficiary of the net income of a trust estate; or
 - (b) under section 99 of the Assessment Act in respect of the net income or part of the net income of a resident trust estate, being the net income or part of the net income of the estate of a deceased person who died less than 3 years before the end of the year of income;

the rate of tax in respect of that share of the net income or that net income or that part of that net income is the rate that would be payable under Part I of Schedule 7 if one individual were liable to be assessed and to pay tax on that income as his or her taxable income.

2. In the case of a trustee who is liable to be assessed and to pay tax under section 99 of the Assessment Act in respect of the net income or part of the net income of a resident trust estate, other than income to which clause 1 applies, the rate of tax is the rate that would be payable under Part I of Schedule 7 in respect of a taxable income equal to that net income or that part of the net income if:
 - (a) one individual were liable to be assessed and to pay tax on that income; and
 - (b) the reference in item 1 of the table in Part I of Schedule 7 to the part of the ordinary taxable income that exceeds \$6,000 but does not exceed \$30,000 were a reference to the part of the ordinary taxable income that does not exceed \$30,000.

Part II—Non-resident beneficiaries and non-resident trust estates

In the case of a trustee who is liable to be assessed and to pay tax:

- (a) under section 98 of the Assessment Act in respect of a share of a non-resident beneficiary of the net income of a trust estate; or
- (b) under section 99 of the Assessment Act in respect of the net income or part of the net income of a non-resident trust estate;

the rate of tax in respect of that share of the net income or that net income or that part of that net income is the rate that would be payable under Part II of Schedule 7 if one individual were liable to be assessed and to pay tax on that income as his or her taxable income.

Schedule 11—Rates of tax payable on eligible taxable income

Subsections 13(1) and 15(1)

Part I—Resident taxpayers

1. In the case of a resident taxpayer whose eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act exceeds \$416 and whose taxable income does not consist of or include a special income component, the rates of tax in respect of that part (in this clause referred to as the *relevant part*) of the taxable income of the taxpayer other than the eligible taxable income of the taxpayer are the rates that would be payable under Part I of Schedule 7 if the relevant part of that taxable income were the taxable income of the taxpayer.
2. In the case of a resident taxpayer whose eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act exceeds \$416 and whose taxable income does not consist of or include a special income component, the rate of tax in respect of the eligible taxable income of the taxpayer is 45%.
3. For every \$1 of the taxable income of a resident taxpayer:
 - (a) whose eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act exceeds \$416; and
 - (b) whose taxable income consists of or includes a special income component;the rate of tax is the amount ascertained in accordance with the formula $\frac{A + B + C}{D}$, where:
 - A** is the amount of tax that would be payable by the taxpayer under clauses 1 and 2 on a taxable income equal to the reduced taxable income;
 - B** is 5 times the difference between:
 - (c) the amount of tax that would be payable by the taxpayer under clause 1 of Part I of Schedule 7 on a taxable income equal to the sum of:

- (i) whichever of the following amounts is applicable:
 - (A) if Division 392 (Long-term averaging of primary producers' tax liability) of the *Income Tax Assessment Act 1997* applies—the average income worked out under section 392-45 of that Act;
 - (B) if sub-subparagraph (A) does not apply—the reduced taxable income; and
 - (ii) 20% of the part of the special income component other than the eligible part of the special income component; and
 - (d) the amount of tax that would be payable by the taxpayer under clause 1 of Part I of Schedule 7 on a taxable income equal to the average income worked out under section 392-45 of the *Income Tax Assessment Act 1997* or reduced taxable income, as the case may be;
- C** is 45% of the eligible part of the special income component; and
- D** is the number of whole dollars in the taxable income.

In applying the formula, component **B** is to be worked out on the assumption that the whole of the taxable income is ordinary taxable income.

Part II—Non-resident taxpayers

1. In the case of a non-resident taxpayer who has an eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act and whose taxable income does not consist of or include a special income component, the rates of tax in respect of that part (in this clause referred to as the *relevant part*) of the taxable income of the taxpayer other than the eligible taxable income of the taxpayer are the rates that would be payable under Part II of Schedule 7 if the relevant part of that taxable income were the taxable income of the taxpayer.
2. In the case of a non-resident taxpayer who has an eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act and whose taxable income does not consist of or include a special income component, the rate of tax in respect of the eligible taxable income of the taxpayer is 45%.
3. For every \$1 of the taxable income of a non-resident taxpayer:
 - (a) who has an eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act; and
 - (b) whose taxable income consists of or includes a special income component;the rate of tax is the amount ascertained in accordance with the formula $\frac{A + B + C}{D}$, where:
 - A** is the amount of tax that would be payable by the taxpayer under clauses 1 and 2 on a taxable income equal to the reduced taxable income;
 - B** is 5 times the difference between:
 - (c) the amount of tax that would be payable by the taxpayer under clause 1 of Part II of Schedule 7 on a taxable income equal to the sum of:
 - (i) whichever of the following amounts is applicable:
 - (A) if Division 392 (Long-term averaging of primary producers' tax liability) of the *Income Tax Assessment Act 1997* applies—the average

income worked out under section 392-45 of that Act;

(B) if sub-subparagraph (A) does not apply—the reduced taxable income; and

(ii) 20% of the part of the special income component other than the eligible part of the special income component; and

(d) the amount of tax that would be payable by the taxpayer under clause 1 of Part II of Schedule 7 on a taxable income equal to the average income worked out under section 392-45 of the *Income Tax Assessment Act 1997* or reduced taxable income, as the case may be;

C is 45% of the eligible part of the special income component; and

D is the number of whole dollars in the taxable income.

In applying the formula, component **B** is to be worked out on the assumption that the whole of the taxable income is ordinary taxable income.

Schedule 12 Rates of tax payable by a trustee under section 98 of the Assessment Act where Division 6AA of Part III of that Act applies

Part I Resident beneficiaries

Schedule 12—Rates of tax payable by a trustee under section 98 of the Assessment Act where Division 6AA of Part III of that Act applies

Subsections 13(3) and (4) and 15(3)

Part I—Resident beneficiaries

1. In the case of a trustee of a trust estate who is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of a share of a resident beneficiary of the net income of the trust estate where Division 6AA of Part III of that Act applies to a part (in this clause referred to as the *eligible part*) of that share, the rates of tax in respect of the part (in this clause referred to as the *relevant part*) of that share other than the eligible part of that share are the rates that would be payable under Part I of Schedule 7 in respect of a taxable income equal to the relevant part of that share if one individual were liable to be assessed and to pay tax on that income.
2. In the case of a trustee of a trust estate who is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of a share of a resident beneficiary of the net income of the trust estate where Division 6AA of Part III of that Act applies to a part of that share, the rate of tax in respect of that part of that share is 45%.

Part II—Non-resident beneficiaries

1. In the case of a trustee of a trust estate who is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of a share of a non-resident beneficiary of the net income of the trust estate where Division 6AA of Part III of that Act applies to a part (in this clause referred to as the *eligible part*) of that share, the rates of tax in respect of the part (in this clause referred to as the *relevant part*) of that share other than the eligible part of that share are the rates that would be payable under Part II of Schedule 7 in respect of a taxable income equal to the relevant part of that share if one individual were liable to be assessed and to pay tax on that income.
2. In the case of a trustee of a trust estate who is liable to be assessed and to pay tax under section 98 of the Assessment Act in respect of a share of a non-resident beneficiary of the net income of the trust estate where Division 6AA of Part III of that Act applies to a part of that share, the rate of tax in respect of that part of that share is 45%.

Table of Acts**Notes to the *Income Tax Rates Act 1986*****Note 1**

The *Income Tax Rates Act 1986* as shown in this compilation comprises Act No. 107, 1986 amended as indicated in the Tables below.

All relevant information pertaining to application, saving or transitional provisions prior to 8 July 1997 is not included in this compilation. For subsequent information *see* Table A.

Table of Acts

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Income Tax Rates Act 1986</i>	107, 1986	4 Nov 1986	4 Nov 1986	
<i>Income Tax Rates Amendment Act 1987</i>	60, 1987	5 June 1987	5 June 1987	S. 10
<i>Taxation Laws Amendment Act (No. 4) 1987</i>	138, 1987	18 Dec 1987	Part III (ss. 53–62): Royal Assent (a)	Ss. 61 and 62
<i>Taxation Laws Amendment Act 1988</i>	11, 1988	26 Apr 1988	S. 14: 24 June 1986 Part VI (ss. 43, 44): 1 Sept 1987 Part VII (ss. 45, 46): 6 Nov 1987 Part VIII (ss. 47, 48): 18 Dec 1987 (<i>see</i> s. 2(5)) Part IX (ss. 49, 50): 18 Dec 1987 (<i>see</i> s. 2(6)) Remainder: Royal Assent	—

Table of Acts

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Taxation Laws Amendment Act (No. 2) 1988</i>	78, 1988	24 June 1988	Part II (ss. 3–6), ss. 37, 39–53 and 55(15)–(25): 1 Nov 1988 (see <i>Gazette</i> 1988, No. S331) S. 14(2): 1 July 1988 S. 15: 22 Dec 1986 Part VI (ss. 62–64): 22 July 1986 Part VII (ss. 65, 66): 18 Dec 1987 Remainder: Royal Assent	—
<i>Income Tax Rates Amendment Act 1988</i>	118, 1988	13 Dec 1988	13 Dec 1988	S. 7
<i>Taxation Laws Amendment (Rates and Rebates) Act 1989</i>	70, 1989	21 June 1989	21 June 1989	S. 7
<i>Income Tax Rates Amendment Act 1989</i>	98, 1989	30 June 1989	30 June 1989	Ss. 6 and 7
<i>Income Tax Rates Amendment Act (No. 2) 1989</i>	106, 1989	30 June 1989	Ss. 5–7 and 9: (b) Remainder: Royal Assent	Ss. 8 and 9
<i>Taxation Laws Amendment (Rates and Provisional Tax) Act 1990</i>	87, 1990	6 Nov 1990	S. 4: 1 July 1991 Remainder: Royal Assent	Ss. 3(2), 4(2) and 5
<i>Taxation Laws Amendment Act 1991</i>	48, 1991	24 Apr 1991	Ss. 91, 92, 93(1), 94, 95, 97(1), (2), 98 and 99: Royal Assent (c) Ss. 93(2), 96 and 97(3): 1 July 1991 (c)	Ss. 97–99
<i>Taxation Laws Amendment Act (No. 2) 1991</i>	100, 1991	27 June 1991	Part 4 (ss. 85–88): Royal Assent (d)	S. 88
<i>Taxation Laws Amendment Act (No. 3) 1991</i>	216, 1991	24 Dec 1991	S. 88 and Part 5 (ss. 104, 105): Royal Assent (e)	S. 105(2)
<i>Taxation Laws Amendment Act (No. 3) 1992</i>	98, 1992	30 June 1992	Ss. 32–36: 1 July 1992 Remainder: Royal Assent	S. 85

Table of Acts

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Tax Legislation Amendment Act 1992</i>	197, 1992	21 Dec 1992	(f)	—
<i>Taxation Laws Amendment (Superannuation) Act 1993</i>	7, 1993	27 May 1993	S. 35: Royal Assent (g) Ss. 36–42: 1 July 1994 (g)	S. 43
<i>Taxation Laws Amendment Act (No. 2) 1993</i>	18, 1993	9 June 1993	Part 5 (ss. 62–67): Royal Assent (h)	S. 67
<i>Taxation (Deficit Reduction) Act (No. 2) 1993</i>	55, 1993	27 Oct 1993	Ss. 16–18: Royal Assent (i) S. 19: 1 July 2000 (i)	S. 17 S. 2 (am. by 94, 1995 [Sch. 2, item 1]; 174, 1997 [Sch. 8, item 1]; 58, 2000 [Sch. 7, item 1]) S. 18(2) (am. by 94, 1995 [Sch. 2, item 5]; 174, 1997 [Sch. 8, item 6]; 58, 2000 [Sch. 7, item 3]) S. 19(2) (am. by 174, 1997 [Sch. 8, item 8]; 58, 2000 [Sch. 7, item 5])
as amended by				
<i>Taxation Laws Amendment (Budget Measures) Act 1995</i>	94, 1995	27 July 1995	Schedule 3 (Part 2 [items 5, 6]): 1 July 1995 Schedule 9: Royal Assent Remainder: 9 May 1995	—
<i>Taxation Laws Amendment Act (No. 4) 1997</i>	174, 1997	21 Nov 1997	Schedule 8: 1 July 1997 Remainder: Royal Assent	—
<i>Taxation Laws Amendment Act (No. 2) 2000</i>	58, 2000	31 May 2000	Schedule 7: Royal Assent (ia)	—

Table of Acts

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Taxation (Deficit Reduction) Act (No. 1) 1993</i>	57, 1993	27 Oct 1993	27 Oct 1993	Ss. 36 and 37(2) S. 37(3) and (4) (am. by 94, 1995, s. 3 [Sch. 1, items 1, 2])
as amended by				
<i>Taxation Laws Amendment (Budget Measures) Act 1995</i>	94, 1995	27 July 1995	Schedule 3 (Part 2 [items 5, 6]): 1 July 1995 Schedule 9: Royal Assent Remainder: 9 May 1995	—
<i>Taxation (Deficit Reduction) Act (No. 3) 1993</i>	58, 1993	27 Oct 1993	S. 6: 1 July 1994 Remainder: Royal Assent	Ss. 3, 5(2), 6(2), (3), 7(2), (3) and 8
<i>Income Tax Rates Amendment Act 1994</i>	173, 1994	16 Dec 1994	16 Dec 1994	S. 5
<i>Taxation Laws Amendment Act (No. 4) 1994</i>	181, 1994	19 Dec 1994	Schedule 1 (items 22–85): 13 Oct 1994 Remainder: Royal Assent	Sch. 2 (items 1, 4)
<i>Income Tax Rates Amendment Act 1995</i>	90, 1995	27 July 1995	27 July 1995	S. 3 (item 10)
<i>Income Tax Rates Amendment (Family Tax Initiative) Act 1996</i>	64, 1996	27 Nov 1996	1 Jan 1997	S. 3
<i>Retirement Savings Accounts (Consequential Amendments) Act 1997</i>	62, 1997	28 May 1997	2 June 1997 (see s. 2 and Gazette 1997, No. S202)	—
<i>Tax Law Improvement Act 1997</i>	121, 1997	8 July 1997	S. 4: Royal Assent (j) Schedule 6 (items 134–137): (j)	S. 4 [see Table A]
<i>Income Tax Rates Amendment Act (No. 1) 1997</i>	124, 1997	15 Sept 1997	15 Sept 1997	Sch. 1 (item 14) and Sch. 2 (item 10) [see Table A]

Table of Acts

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
as amended by				
<i>A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 2) 1999</i>	83, 1999	8 July 1999	Schedule 10 (item 63): (<i>ja</i>) Schedule 10 (item 68(1)): (<i>ja</i>)	Sch. 10 (item 68(1)) [see Table A]
<i>Social Security Legislation Amendment (Parenting and Other Measures) Act 1997</i>	197, 1997	11 Dec 1997	Schedule 1 (item 344): 20 Mar 1998 (<i>k</i>)	—
<i>Tax Law Improvement Act (No. 1) 1998</i>	46, 1998	22 June 1998	S. 4: Royal Assent (<i>l</i>) Schedule 2 (items 546, 547), Schedule 6 (items 31–46), Schedule 8 (item 10): (<i>l</i>)	S. 4 [see Table A]
<i>Income Tax Rates Amendment (RSAs Provided by Registered Organizations) Act 1999</i>	41, 1999	9 June 1999	1 July 1999 (see s. 2 and <i>Gazette</i> 1999, No. S283)	—
<i>A New Tax System (Personal Income Tax Cuts) Act 1999</i>	69, 1999	8 July 1999	9 July 1999 (see s. 2)	Sch. 3 (item 1(1)) [see Table A]
<i>A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 1) 1999</i>	82, 1999	8 July 1999	Schedule 8 (items 26, 29): 1 July 2000 (<i>m</i>)	Sch. 8 (item 29) [see Table A]
<i>A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 2) 1999</i>	83, 1999	8 July 1999	Schedule 10 (items 55–62, 68(1)): 1 July 2000 (<i>n</i>)	Sch. 10 (item 68(1)) [see Table A]
as amended by				
<i>Family and Community Services Legislation Amendment (1999 Budget and Other Measures) Act 1999</i>	172, 1999	10 Dec 1999	Schedule 2 (item 1): (<i>na</i>)	—
<i>New Business Tax System (Income Tax Rates) Act (No. 1) 1999</i>	167, 1999	10 Dec 1999	Schedule 2: 1 July 2001 Remainder: 1 July 2000	Sch. 1 (item 12) and Sch. 2 (item 12) [see Table A]

Table of Acts

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>New Business Tax System (Income Tax Rates) Act (No. 2) 1999</i>	168, 1999	10 Dec 1999	10 Dec 1999	Sch. 1 (items 16–27) [see Table A]
<i>A New Tax System (Tax Administration) Act 1999</i>	179, 1999	22 Dec 1999	Schedule 11 (item 106): 1 July 2000 (o)	—
<i>Taxation Laws Amendment Act (No. 6) 2000</i>	76, 2000	28 June 2000	28 June 2000	Sch 1 (item 8(1)) [see Table A]
<i>New Business Tax System (Miscellaneous) Act (No. 2) 2000</i>	89, 2000	30 June 2000	Schedule 2 (items 89–111): Royal Assent (p)	—
<i>New Business Tax System (Capital Allowances—Transitional and Consequential) Act 2001</i>	77, 2001	30 June 2001	Schedule 2 (items 477–479, 488(1)): Royal Assent (q)	Sch. 2 (item 488(1)) (am. by 119, 2002, Sch. 3 [item 97]) [see Table A]
as amended by				
<i>Taxation Laws Amendment Act (No. 5) 2002</i>	119, 2002	2 Dec 2002	Schedule 3 (item 97): (r)	—
<i>Taxation Laws Amendment Act (No. 2) 2001</i>	167, 2001	1 Oct 2001	Schedule 6 (items 4–6): Royal Assent (s)	Sch. 6 (item 6) [see Table A]
<i>Taxation Laws Amendment (Personal Income Tax Reduction) Act 2003</i>	45, 2003	24 June 2003	24 June 2003	S. 4 [see Table A]
<i>Taxation Laws Amendment Act (No. 5) 2003</i>	142, 2003	17 Dec 2003	Schedule 6 (items 1–8, 21): Royal Assent Schedule 6 (items 22, 23): (t)	Sch. 6 (items 21, 23) [see Table A]
<i>Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Act 2004</i>	52, 2004	27 Apr 2004	Schedule 3 (items 24–29): 1 July 2004 (see s. 2)	—
<i>Tax Laws Amendment (Personal Income Tax Reduction) Act 2004</i>	67, 2004	22 June 2004	22 June 2004	Sch. 1 (item 3) [see Table A]
<i>Taxation Laws Amendment Act (No. 1) 2004</i>	101, 2004	30 June 2004	Schedule 11 (items 47, 48): (u) Schedule 11 (items 147–153): Royal Assent	Sch. 11 (items 48, 153) [see Table A]

Table of Acts

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Tax Laws Amendment (Personal Income Tax Reduction) Act 2005</i>	101, 2005	12 Aug 2005	12 Aug 2005	S. 4 [see Table A]
<i>Tax Laws Amendment (Personal Tax Reduction and Improved Depreciation Arrangements) Act 2006</i>	55, 2006	19 June 2006	Schedules 1, 3 and 4: 1 July 2006 Remainder: Royal Assent	Sch. 1 (item 32(1)) [see Table A]
<i>Tax Laws Amendment (2006 Measures No. 2) Act 2006</i>	58, 2006	22 June 2006	Schedule 7 (items 114–119): Royal Assent	Sch. 7 (items 115, 119) [see Table A]
<i>Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006</i>	101, 2006	14 Sept 2006	Schedule 1 (items 1, 263–265), Schedule 2 (items 780–792) and Schedule 6 (items 1, 6–11): Royal Assent	Sch. 6 (items 1, 6–11) [see Table A]
<i>Tax Laws Amendment (2006 Measures No. 5) Act 2006</i>	110, 2006	23 Oct 2006	Schedule 3: Royal Assent	Sch. 3 (item 9) [see Table A]
<i>Tax Laws Amendment (Simplified Superannuation) Act 2007</i>	9, 2007	15 Mar 2007	Schedule 1 (items 18, 24(1)): Royal Assent	Sch. 1 (item 24(1)) [see Table A]
<i>Income Tax Rates Amendment (Superannuation) Act 2007</i>	19, 2007	15 Mar 2007	(v)	Sch. 1 (item 35) [see Table A]
<i>Tax Laws Amendment (Personal Income Tax Reduction) Act 2007</i>	76, 2007	21 June 2007	21 June 2007	Sch. 1 (items 11, 16) [see Table A]
<i>Tax Laws Amendment (2007 Measures No. 3) Act 2007</i>	79, 2007	21 June 2007	Schedule 9 (items 27–29, 30(1), 31, 32): Royal Assent	Sch. 9 (items 30(1), 31, 32) [see Table A]
<i>Tax Laws Amendment (2007 Measures No. 4) Act 2007</i>	143, 2007	24 Sept 2007	Schedule 7 (items 73–96): Royal Assent	Sch. 7 (item 96) [see Table A]

Act Notes

- (a) The *Income Tax Rates Act 1986* was amended by Part III (sections 53–62) only of the *Taxation Laws Amendment Act (No. 4) 1987*, subsection 2(1) of which provides as follows:
- (1) Subject to this section, this Act shall come into operation on the day on which it receives the Royal Assent.
- (b) Subsection 2(2) of the *Income Tax Rates Amendment Act (No. 2) 1989*, provides as follows:
- (2) Sections 5, 6, 7 and 9 commence, or shall be taken to have commenced, as the case requires, immediately after the commencement of the *Income Tax Rates Amendment Act 1989*.
- The *Income Tax Rates Amendment Act 1989* came into operation on 30 June 1989.
- (c) The *Income Tax Rates Act 1986* was amended by sections 91–99 only of the *Taxation Laws Amendment Act 1991*, subsections 2(1) and (4) of which provide as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
 - (4) Section 32, subsections 84(9) and 93(2), section 96 and subsection 97(3) commence on 1 July 1991.
- (d) The *Income Tax Rates Act 1986* was amended by Part 4 (sections 85–88) only of the *Taxation Laws Amendment Act (No. 2) 1991*, subsection 2(1) of which provides as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (e) The *Income Tax Rates Act 1986* was amended by section 88 and Part 5 (sections 104 and 105) only of the *Taxation Laws Amendment Act (No. 3) 1991*, subsection 2(1) of which provides as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (f) The *Tax Legislation Amendment Act 1992* was repealed by section 9 of the *Taxation (Deficit Reduction) Act (No. 3) 1993* before it came into operation.
- (g) The *Income Tax Rates Act 1986* was amended by sections 35–42 only of the *Taxation Laws Amendment (Superannuation) Act 1993*, subsections 2(1) and (2)(b) of which provide as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
 - (2) The following provisions commence on 1 July 1994:
 - (b) Division 2 of Part 3;
- (h) The *Income Tax Rates Act 1986* was amended by Part 5 (sections 62–67) only of the *Taxation Laws Amendment Act (No. 2) 1993*, subsection 2(1) of which provides as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (i) The *Income Tax Rates Act 1986* was amended by sections 16–19 only of the *Taxation (Deficit Reduction) Act (No. 2) 1993*, subsections 2(1) and (4) of which provide as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
 - (4) Subdivision C of Division 2 of Part 4 commences on 1 July 1999.
- (ia) The *Taxation (Deficit Reduction) Act (No. 2) 1993* was amended by Schedule 7 only of the *Taxation Laws Amendment Act (No. 2) 2000*, subsection 2(1) of which provides as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (j) The *Income Tax Rates Act 1986* was amended by Schedule 6 (items 134–137) only of the *Tax Law Improvement Act 1997*, subsections 2(1)–(3) of which provide as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
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Act Notes

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- (2) Schedule 1 commences on 1 July 1997 immediately after the commencement of the *Income Tax Assessment Act 1997*.
- (3) Each of the other Schedules (except Schedule 12) commences immediately after the commencement of the immediately preceding Schedule.
- (ja) The *Income Tax Rates Amendment Act (No. 1) 1997* was amended by Schedule 10 (item 63) only of the *A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 2) 1999*, subsections 2(2) and (7) of which provide as follows:
- (2) Schedule 1 (Parts 1 to 5), Schedules 3 to 6, Schedule 7 (other than item 14), Schedules 8 and 9, Schedule 10 (other than items 22, 63, 66 and 67) and Schedule 11 (items 3 and 4 only) commence, or are taken to have commenced, on the commencement of Schedule 1 to the *A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 1) 1999*.
- (7) Item 63 of Schedule 10 is taken to have commenced immediately after the commencement of item 2 of Schedule 1 to the *Income Tax Rates Amendment Act (No. 1) 1997*.
- Schedule 1 (item 2) of the *Income Tax Rates Amendment Act (No. 1) 1997* commenced on 15 September 1997.
- (k) The *Income Tax Rates Act 1986* was amended by Schedule 1 (item 344) only of the *Social Security Legislation Amendment (Parenting and Other Measures) Act 1997*, subsection 2(2) of which provides as follows:
- (2) Part 3 of Schedule 1 commences on 1 July 1998. The remaining items of Schedule 1 commence on 20 March 1998.
- (l) The *Income Tax Rates Act 1986* was amended by Schedule 2 (items 546 and 547), Schedule 6 (items 31–46) and Schedule 8 (item 10) only of the *Tax Law Improvement Act (No. 1) 1998*, subsections 2(1), (2) and (4) of which provide as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (2) Schedule 2 (except item 3 of it) commences immediately after the commencement of Schedule 1.
- (4) Each of Schedules 4 to 8 commences immediately after the commencement of the immediately preceding Schedule.
- Schedule 1 commenced on Royal Assent.
- (m) The *Income Tax Rates Act 1986* was amended by Schedule 8 (item 26) only of the *A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 1) 1999*, subsection 2(2) of which provides as follows:
- (2) Schedule 1, item 3 of Schedule 2 and Schedules 3 to 8 commence, or are taken to have commenced, immediately after the commencement of:
- (a) the *A New Tax System (Family Assistance) Act 1999*; and
- (b) Schedules 1, 2 and 3 of the *A New Tax System (Compensation Measures Legislation Amendment) Act 1999*.
- (n) The *Income Tax Rates Act 1986* was amended by Schedule 10 (items 55–62) only of the *A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 2) 1999*, subsection 2(2) of which provides as follows:
- (2) Schedule 1 (Parts 1 to 5), Schedules 3 to 6, Schedule 7 (other than item 14), Schedules 8 and 9, Schedule 10 (other than items 22, 63, 66 and 67) and Schedule 11 (items 3 and 4 only) commence, or are taken to have commenced, on the commencement of Schedule 1 to the *A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 1) 1999*.
- (na) The *A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 2) 1999* was amended by Schedule 2 (item 1) only of the *Family and Community Services Legislation Amendment (1999 Budget and Other Measures) Act 1999*, subsection 2(4) of which provides as follows:
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Act Notes

- (4) Schedule 2 commences, or is taken to have commenced, immediately after the commencement of section 2 of the *A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 2) 1999*.
- Section 2 commenced on 8 July 1999.
- (o) The *Income Tax Rates Act 1986* was amended by Schedule 11 (item 106) only of the *A New Tax System (Tax Administration) Act 1999*, subsection (9)(b) of which provides as follows:
- (9) The following provisions commence on 1 July 2000:
- (b) Schedule 11 (other than item 44).
- (p) The *Income Tax Rates Act 1986* was amended by Schedule 1 (items 89–111) only of the *New Business Tax System (Miscellaneous) Act (No. 2) 2000*, subsection 2(1) of which provides as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (q) The *Income Tax Rates Act 1986* was amended by Schedule 2 (items 477–479) only of the *New Business Tax System (Capital Allowances—Transitional and Consequential) Act 2001*, subsection 2(1) of which provides as follows:
- (1) Subject to subsection (2), this Act commences on the day on which it receives the Royal Assent.
- (r) Subsection 2(1) (item 9) of the *Taxation Laws Amendment Act (No. 5) 2002* provides as follows:
- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, on the day or at the time specified in column 2 of the table.

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
9. Items 79 to 99 of Schedule 3	Immediately after the commencement of section 2 of the <i>New Business Tax System (Capital Allowances—Transitional and Consequential) Act 2001</i>	30 June 2001

- (s) The *Income Tax Rates Act 1986* was amended by Schedule 6 (items 4 and 5) only of the *Taxation Laws Amendment Act (No. 2) 2001*, subsection 2(1) of which provides as follows:
- (1) Subject to subsection (2), this Act commences on the day on which it receives the Royal Assent.
- (t) Subsection 2(1) (item 9) of the *Taxation Laws Amendment Act (No. 5) 2003* provides as follows:
- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, on the day or at the time specified in column 2 of the table.

Provision(s)	Commencement	Date/Details
9. Schedule 6, Part 2	Immediately after the commencement of Division 2 of Part 3 of the <i>Taxation Laws Amendment (Superannuation) Act 1993</i>	1 July 1994

Act Notes

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- (u) Subsection 2(1) (item 14) of the *Taxation Laws Amendment Act (No. 1) 2004* provides as follows:
- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, on the day or at the time specified in column 2 of the table.

Provision(s)	Commencement	Date/Details
14. Schedule 11, Part 4	Immediately after the start of 1 July 2000	1 July 2000

- (v) Section 2 of the *Income Tax Rates Amendment (Superannuation) Act 2007* provides as follows:
- 2 This Act commences immediately after the commencement of Schedule 1 to the *Tax Laws Amendment (Simplified Superannuation) Act 2007*.
- Schedule 1 commenced on 15 March 2007.

Table of Amendments**Table of Amendments**

ad. = added or inserted am. = amended rep. = repealed rs. = repealed and substituted

Provision affected	How affected
Part I	
S. 3.....	am. No. 138, 1987; No. 11, 1988; Nos. 98 and 106, 1989; Nos. 48 and 100, 1991; No. 98, 1992; No. 7, 1993; No. 181, 1994; Nos. 62 and 121, 1997; No. 46, 1998; Nos. 41 and 168, 1999; No. 89, 2000; No. 77, 2001; No. 142, 2003; No. 52, 2004; No. 101, 2006; Nos. 19 and 143, 2007
Part II	
Division 1	
S. 5.....	am. No. 138, 1987; No. 98, 1989; No. 79, 2007
Div. 2 of Part II	rep. No. 70, 1989
S. 6.....	rep. No. 70, 1989
S. 7.....	am. No. 138, 1987 rep. No. 70, 1989
Ss. 8–10.....	rep. No. 70, 1989
Division 3	
Heading to Div. 3 of	rs. No. 70, 1989
Part II	
Subdiv. A of Div. 3 of.....	rep. No. 70, 1989
Part II	
S. 11.....	rep. No. 70, 1989
Subdivision B	
S. 12.....	am. No. 138, 1987; No. 70, 1989; No. 121, 1997; No. 124, 1997 (as am. by 83, 1999); No. 46, 1998; No. 83, 1999; No. 77, 2001; No. 101, 2004; Nos. 55 and 101, 2006
S. 12A	ad. No. 46, 1998 am. Nos. 69 and 83, 1999
Subdivision C	
S. 13.....	am. No. 70, 1989; Nos. 55 and 101, 2006
S. 14.....	am. No. 70, 1989; No. 48, 1991; No. 167, 2001; No. 58, 2006
Subdivision D	
S. 15.....	am. No. 70, 1989; Nos. 55 and 101, 2006
Division 4	
S. 16.....	am. No. 78, 1988; Nos. 48, 100 and 216, 1991; No. 179, 1999; No. 76, 2000; No. 52, 2004; No. 110, 2006
S. 16A	ad. No. 64, 1996 rep. No. 83, 1999
S. 17.....	rep. No. 110, 2006
S. 19.....	rep. No. 110, 2006
S. 20.....	am. No. 70, 1989; No. 87, 1990; No. 69, 1999; No. 167, 2001; No. 110, 2006
Div 5. of Part II	ad. No. 64, 1996 rep. No. 82, 1999

Table of Amendments

ad. = added or inserted	am. = amended	rep. = repealed	rs. = repealed and substituted
Provision affected	How affected		
S. 20A	ad. No. 64, 1996	rep. No. 82, 1999	
S. 20B	ad. No. 64, 1996	am. No. 124, 1997	rep. No. 82, 1999
S. 20C	ad. No. 64, 1996	am. No. 124, 1997; No. 69, 1999	rep. No. 82, 1999
S. 20D	ad. No. 64, 1996	am. Nos. 124 and 197, 1997; No. 69, 1999	rep. No. 82, 1999
Heading to s. 20E.....	am. No. 69, 1999	rep. No. 82, 1999	
S. 20E	ad. No. 64, 1996	am. No. 124, 1997; No. 69, 1999	rep. No. 82, 1999
Heading to s. 20F.....	am. No. 168, 1999	rep. No. 82, 1999	
S. 20F.....	am. Nos. 69 and 168, 1999	rep. No. 82, 1999	
S. 20G	ad. No. 64, 1996	am. No. 124, 1997; No. 46, 1998; No. 69, 1999	rep. No. 82, 1999
Note to s. 20G(5)	ad. No. 46, 1998	rep. No. 82, 1999	
S. 20H	ad. No. 64, 1996	am. Nos. 121 and 124, 1997; No. 69, 1999	rep. No. 82, 1999
S. 20J	ad. No. 64, 1996	am. No. 124, 1997	rep. No. 82, 1999
Ss. 20K–20R	ad. No. 64, 1996	rep. No. 82, 1999	
Ss. 20S, 20T	ad. No. 64, 1996	am. No. 69, 1999	rep. No. 82, 1999
S. 20U	ad. No. 64, 1996	am. No. 124, 1997; No. 69, 1999	rep. No. 82, 1999
S. 20V	ad. No. 64, 1996	rep. No. 82, 1999	
Part III			
S. 22.....	am. No. 60, 1987		
S. 23.....	am. No. 60, 1987; No. 118, 1988; No. 106, 1989; No. 98, 1992;	Nos. 18, 55 and 57, 1993; Nos. 173 and 181, 1994; No. 90,	1995; No. 62, 1997; Nos. 41 and 167, 1999; No. 89, 2000;
	No. 101, 2004; No. 55, 2006; No. 143, 2007		
S. 23A	ad. No. 89, 2000	am. No. 143, 2007	

Table of Amendments

ad. = added or inserted	am. = amended	rep. = repealed	rs. = repealed and substituted
Provision affected	How affected		
Ss. 23B, 23C	ad. No. 89, 2000 rep. No. 143, 2007		
Ss. 24, 25	am. No. 60, 1987; No. 118, 1988; No. 18, 1993; No. 90, 1995; No. 167, 1999		
Ss. 26, 27	am. Nos. 60 and 138, 1987 rs. No. 98, 1989 am. No. 106, 1989; No. 55, 2006; No. 19, 2007		
S. 27A	ad. No. 98, 1989 am. No. 106, 1989; No. 55, 2006; No. 19, 2007		
S. 28	ad. No. 60, 1987 am. No. 118, 1988; No. 18, 1993; No. 90, 1995; No. 167, 1999 rs. No. 79, 2007		
S. 29	ad. No. 9, 2007 am. Nos. 19 and 143, 2007		
Schedule 1	am. No. 138, 1987 rep. No. 70, 1989		
Schedule 2	rep. No. 70, 1989		
Schedule 3	am. No. 138, 1987 rep. No. 70, 1989		
Schedule 4	rep. No. 70, 1989		
Schedule 5	am. No. 138, 1987 rep. No. 70, 1987		
Schedule 6	rep. No. 70, 1987		
Schedule 7			
Schedule 7	am. No. 138, 1987; No. 70, 1989; No. 87, 1990; No. 48, 1991; Nos. 7 and 58, 1993; No. 46, 1998; No. 69, 1999; Nos. 45 and 142, 2003; No. 67, 2004; No. 101, 2005; Nos. 55 and 58, 2006; Nos. 19 and 76, 2007		
Schedule 8			
Schedule 8	am. No. 70, 1989; No. 87, 1990; No. 7, 1993; No. 64, 1996; No. 69, 1999; No. 45, 2003; No. 55, 2006; No. 76, 2007		
Schedule 9	am. No. 138, 1987; No. 70, 1989; No. 7, 1993; No. 121, 1997; No. 77, 2001; No. 142, 2003 rep. No. 101, 2006		
Schedule 10			
Schedule 10	am. No. 70, 1989; No. 87, 1990; No. 7, 1993; No. 69, 1999; No. 45, 2003; Nos. 55, 58 and 101, 2006; No. 76, 2007		
Schedule 11			
Schedule 11	am. No. 138, 1987; No. 70, 1989; No. 7, 1993; No. 46, 1998; Nos. 55 and 101, 2006		
Schedule 12			
Schedule 12	am. No. 70, 1989; No. 7, 1993; No. 168, 1999; Nos. 55 and 101, 2006		

Table A

Table A

Application, saving or transitional provisions

Tax Law Improvement Act 1997 (No. 121, 1997)

4 Application of amendments

An amendment made by an item in a Schedule (except Schedule 1) applies to assessments for the 1997-98 income year and later income years, unless otherwise indicated in that Schedule.

Income Tax Rates Amendment Act (No. 1) 1997 (No. 124, 1997)

Schedule 1

14 Application

The amendments made by this Schedule apply in relation to the 1996-97 year of income and to all later years of income.

Schedule 2

10 Application

The amendments made by this Schedule apply in relation to the 1996-97 year of income and to all later years of income.

Tax Law Improvement Act 1998 (No. 46, 1998)

4 Application of amendments

An amendment made by an item in a Schedule (except an item in Schedule 1 or in Part 1 of any of Schedules 2 to 8) applies to assessments for the 1998-99 income year and later income years, unless otherwise indicated in the Schedule in which the item appears.

Table A

A New Tax System (Personal Income Tax Cuts) Act 1999 (No. 69, 1999)

Schedule 3

1 Application

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

A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 1) 1999 (No. 82, 1999)

Schedule 8

29 Application

The amendments made by this Schedule apply to assessments in relation to the 2000-2001 year of income and later years of income.

A New Tax System (Family Assistance) (Consequential and Related Measures) Act (No. 2) 1999 (No. 83, 1999)

Schedule 10

68 Application

- (1) Subject to this item, the amendments made by this Schedule apply to assessments in relation to the 2000-2001 year of income and later years of income.
-

Table A

New Business Tax System (Income Tax Rates) Act (No. 1) 1999 (No. 167, 1999)

Schedule 1

12 Application of amendments made by this Schedule

The amendments made by this Schedule apply to assessments in respect of taxable income, or a trust estate's net income, of the 2000-01 year of income.

Schedule 2

12 Application of amendments made by this Schedule

The amendments made by this Schedule apply to assessments in respect of taxable income, or a trust estate's net income, of the 2001-02 year of income and of later years of income.

New Business Tax System (Income Tax Rates) Act (No. 2) 1999 (No. 168, 1999)

Schedule 1

16 Application of amendments

The amendments made by this Schedule apply in relation to the 1999-2000 year of income and later years of income.

17 Overview of Part

- (1) This Part provides for your basic income tax liability for the 1999-2000 income year to be reduced in certain circumstances if you have made a capital gain from a CGT event before the start time.
- (2) The purpose of this Part is to ensure, as far as is practicable, that the income tax payable in relation to capital gains from CGT events before the start time is the same as it would have been if capital gains tax averaging had not been removed.

18 Part is a special provision for working out your basic income tax liability

- (1) This Part is a special provision that applies (as mentioned in paragraph (b) of step 2 of subsection 4-10(3) of the *Income Tax*

Table A

Assessment Act 1997) to working out your basic income tax liability on your taxable income.

- (2) This Part is to be applied after any other special provisions that apply to you.

19 When this Part applies

Only applies for 1999-2000 income year

- (1) This Part only applies for the 1999-2000 income year.

Only applies to individuals and certain trustees

- (2) This Part only applies to you if you are:
- (a) an individual and your assessable income included a net capital gain; or
 - (b) a trustee of a trust estate and, apart from the amendments made by this Act, clause 3 of Part I or clause 3 of Part II of Schedule 12 to the *Income Tax Rates Act 1986* would have applied in working out your basic income tax liability; or
 - (c) a trustee of a trust estate and Schedule 10 to the *Income Tax Rates Act 1986* applied in working out your basic tax liability and, apart from the amendments made by this Act, the share of the net income of the trust estate referred to in that Schedule would consist of, or include, a capital gains component.

Only applies if capital gain made before the start time

- (3) This Part does not apply to you unless you made a capital gain as a result of a CGT event that happened during the income year and before the start time and the capital gain is not disregarded.

20 Meaning of start time

In this Part:

start time means 11.45 am, by legal time in the Australian Capital Territory, on 21 September 1999.

21 Working out if you are entitled to a reduction

You are entitled to a reduction to your basic income tax liability if the following amounts are both greater than zero:

Table A

- (a) your gross adjustment amount under item 22;
- (b) your pre-announcement net capital gain amount worked out under item 23.

The amount of the reduction is worked out under item 24.

22 Working out the gross adjustment amount

Work out your gross adjustment amount as follows:

Method statement

Step 1. Work out the amount that would have been your basic income tax liability for the income year if the amendments made by:

- (a) Schedules 8 and 9 to the *New Business Tax System (Integrity and Other Measures) Act 1999*; and
- (b) Schedule 1 to the *New Business Tax System (Capital Gains Tax) Act 1999*;

had not been made.

Step 2. Work out the amount that would have been your basic income tax liability for the income year if the amendments made by:

- (a) Schedules 8 and 9 to the *New Business Tax System (Integrity and Other Measures) Act 1999*; and
- (b) Schedule 1 to the *New Business Tax System (Capital Gains Tax) Act 1999*; and

- (c) Part 1 of this Schedule;

had not been made.

Step 3. Subtract the amount worked out under step 2 from the amount worked out under step 1. The result is the **gross adjustment amount**.

If the result is zero or negative, you are not entitled to any reduction.

23 Working out your net capital gain amounts

Working out your pre-announcement net capital gain amount

- (1) Your ***pre-announcement net capital gain amount*** is the amount that would have been your modified net capital gain amount if any capital gains or capital losses arising after the start time were disregarded.

Working out your modified net capital gain amount

- (2) Your ***modified net capital gain amount*** is the amount that would have been your net capital gain for the income year if:
- (a) the amendments made by:
 - (i) Schedules 8 and 9 to the *New Business Tax System (Integrity and Other Measures) Act 1999*; and
 - (ii) Schedule 1 to the *New Business Tax System (Capital Gains Tax) Act 1999*;
 had not been made; and
 - (b) you did not have any unapplied net capital losses from previous income years; and
 - (c) any capital gains or losses that are:
 - (i) part of the special income component and eligible taxable income for the purposes of Division 6AA of Part III of the Assessment Act; and
 - (ii) part of the capital gains component and net income to which Division 6AA of Part III of the Assessment Act applies;
 were disregarded.

24 Working out the amount of your reduction

- (1) The amount of the reduction in your basic income tax liability is worked out using the formula:

Gross adjustment amount × Capital gain adjustment percentage

Working out your capital gain adjustment percentage

- (2) Your ***capital gain adjustment percentage*** is the percentage worked out using the following formula:

Table A

$$\frac{\text{Pre-announcement net capital gain amount}}{\text{Modified net capital gain amount}} \times 100$$

25 Choices

If:

- (a) the calculation of an amount under this Part could be affected by a choice or election that you could make under the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997*; and
- (b) apart from the operation of this Part, you would not need to have made that choice or election;

you may calculate the amount for the purpose of this Part as if you had made the election or choice.

26 Income from trust estates

To avoid doubt, if your assessable income includes a share of the net income of a trust estate, the assumptions and other adjustments required by this Part are taken, for the purpose of the operation of this Part to you, to have applied in relation to the calculation of the net income of the trust.

27 Interpretation

Expressions used in this Act that are defined in the *Income Tax Assessment Act 1997* have the same meaning as in that Act.

Taxation Laws Amendment Act (No. 6) 2000 (No. 76, 2000)

Schedule 1

8 Application of amendments

- (1) The amendments made by items 1, 2 and 6 apply to assessments for the 1999-2000 year of income and all later years of income.
- (2) The amendments made by items 3 and 4 apply in relation to the quotation of TFNs on or after 11 November 1999.
- (3) The amendment made by item 5 applies to payments made on or after 11 November 1999.

Table A

- (4) The amendment made by item 7 applies to payments made on or after 1 July 2000.

New Business Tax System (Capital Allowances—Transitional and Consequential) Act 2001 (No. 77, 2001)

Schedule 2

488 Application

- (1) Subject to this item, the amendments made by this Schedule apply to:
- (a) depreciating assets:
 - (i) you start to hold under a contract entered into after 30 June 2001; or
 - (ii) you constructed where the construction started after that day; or
 - (iii) you start to hold in some other way after that day; and
 - (b) expenditure that does not form part of the cost of a depreciating asset incurred after that day.

Taxation Laws Amendment Act (No. 2) 2001 (No. 167, 2001)

Schedule 6

6 Application

The amendments of the *Income Tax Rates Act 1986* made by this Schedule apply to assessments for the 2000-2001 income year and all later income years.

Taxation Laws Amendment (Personal Income Tax Reduction) Act 2003
(No. 45, 2003)

4 Application

The amendments made by Schedule 1 apply to assessments for the 2003-2004 income year and later income years.

Table A

Taxation Laws Amendment Act (No. 5) 2003 (No. 142, 2003)

Schedule 6

21 Application

The amendments made by this Part apply to eligible termination payments (as defined in section 27A of the *Income Tax Assessment Act 1936*) made on or after 1 July 2002.

23 Application

The amendment made by this Part applies to assessments for the 1994-95 year of income and later years of income.

Tax Laws Amendment (Personal Income Tax Reduction) Act 2004
(No. 67, 2004)

Schedule 1

3 Application

The amendments made by this Schedule apply to assessments for the 2004-05 year of income and later years.

Taxation Laws Amendment Act (No. 1) 2004 (No. 101, 2004)

Schedule 11

48 Application

The amendment of subparagraph 23(4A)(c)(i) of the *Income Tax Rates Act 1986* made by this Division applies in relation to the year of income including 1 July 2000 and later years of income.

153 Application

The amendments of the *Income Tax Rates Act 1986* (except the amendment of subsection 12(6) of that Act) made by this Part apply to assessments for the 1998-99 year of income and later years of income.

Table A

Tax Laws Amendment (Personal Income Tax Reduction) Act 2005
(No. 101, 2005)

4 Application

The amendments made by Schedule 1 apply to assessments for the 2005-2006 year of income and later years of income.

Tax Laws Amendment (Personal Tax Reduction and Improved Depreciation Arrangements) Act 2006 (No. 55, 2006)

Schedule 1

32 Application

- (1) The amendments made by this Schedule, except the amendment of the *Income Tax (Bearer Debentures) Act 1971*, apply to assessments for the 2006-2007 year of income and later years of income.

Tax Laws Amendment (2006 Measures No. 2) Act 2006 (No. 58, 2006)

Schedule 7

115 Application

The amendment made by item 114 applies to assessments for the 2005-06 income year and later income years.

119 Application

The amendment made by item 118 applies to assessments for the 2003-04 income year and later income years.

Table A

Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006
(No. 101, 2006)

Schedule 6

1 Application of Schedule 1 and 2 amendments

Except as mentioned in items 2 and 3, the repeals and amendments made by Schedules 1 and 2 apply:

- (a) so far as they affect assessments—to assessments for the 2006-07 income year and all later income years; and
- (b) otherwise—to acts done or omitted to be done, or states of affairs existing, after the commencement of the repeals and amendments.

6 Object

The object of this Part is to ensure that, despite the repeals and amendments made by this Act, the full legal and administrative consequences of:

- (a) any act done or omitted to be done; or
- (b) any state of affairs existing; or
- (c) any period ending;

before such a repeal or amendment applies, can continue to arise and be carried out, directly or indirectly through an indefinite number of steps, even if some or all of those steps are taken after the repeal or amendment applies.

7 Making and amending assessments, and doing other things, in relation to past matters

Even though an Act is repealed or amended by this Act, the repeal or amendment is disregarded for the purpose of doing any of the following under any Act or legislative instrument (within the meaning of the *Legislative Instruments Act 2003*):

- (a) making or amending an assessment (including under a provision that is itself repealed or amended);
- (b) exercising any right or power, performing any obligation or duty or doing any other thing (including under a provision that is itself repealed or amended);

in relation to any act done or omitted to be done, any state of affairs existing, or any period ending, before the repeal or amendment applies.

Table A

Example 1: On 31 July 1999, Greg Ltd lodged its annual return under former section 160ARE of the *Income Tax Assessment Act 1936*. The return stated that the company had a credit on its franking account and that no franking deficit tax was payable for the 1998-99 franking year. Under former section 160ARH of that Act, the Commissioner was taken to have made an assessment consistent with the return.

Following an audit undertaken after the repeal of Part IIIAA of that Act, the Commissioner concludes that Greg Ltd fraudulently overfranked dividends it paid during the 1998-99 franking year, and had a franking account deficit for that franking year. As a result, the Commissioner considers that franking deficit tax and a penalty by way of additional tax are payable.

The Commissioner can amend the assessment under former section 160ARN of that Act, because item 7 of this Schedule disregards the repeal of that section for the purposes of making an assessment in relation to the 1998-99 franking year. Item 7 will also disregard the repeal of Division 11 of former Part IIIAA to the extent necessary for the Commissioner to assess Greg Ltd's liability to a penalty by way of additional tax.

Despite the repeal of sections 160ARU and 160ARV, item 9 will ensure that the general interest charge will accrue on the unpaid franking deficit tax and penalty until they are paid.

Item 7 will also preserve Greg Ltd's right, under former section 160ART of that Act, to object against the Commissioner's amended assessment (including the penalty), since the objection is the exercise of a right in relation to a franking year that ended before the repeal of Part IIIAA.

Example 2: During the 1997-98 income year, Duffy Property Ltd withheld amounts from its employees' wages as required by former Divisions 1AAA and 2 of Part VI of the *Income Tax Assessment Act 1936*. The company failed to notify the Commissioner of those amounts, and failed to remit them to the Commissioner.

Following an audit undertaken after the repeal of those Divisions, the Commissioner discovers that the withheld amounts have not been remitted. The company's records are incomplete and the Commissioner is unable to completely ascertain the extent of its liability for the withheld amounts. Under section 222AGA of that Act, the Commissioner makes an estimate of the liability.

Item 7 will disregard the repeal of section 220AAZA of that Act (which empowered the Commissioner to recover the amount of the estimate). Even though the estimate is made after the repeal, it relates to amounts withheld before the repeal.

Table A

8 Saving of provisions about effect of assessments

If a provision or part of a provision that is repealed or amended by this Act deals with the effect of an assessment, the repeal or amendment is disregarded in relation to assessments made, before or after the repeal or amendment applies, in relation to any act done or omitted to be done, any state of affairs existing, or any period ending, before the repeal or amendment applies.

9 Saving of provisions about general interest charge, failure to notify penalty or late reconciliation statement penalty

If:

- (a) a provision or part of a provision that is repealed or amended by this Act provides for the payment of:
 - (i) general interest charge, failure to notify penalty or late reconciliation statement penalty (all within the meaning of the *Income Tax Assessment Act 1936*); or
 - (ii) interest under the *Taxation (Interest on Overpayments and Early Payments) Act 1983*; and
- (b) in a particular case, the period in respect of which the charge, penalty or interest is payable (whether under the provision or under the *Taxation Administration Act 1953*) has not begun, or has begun but not ended, when the provision is repealed or amended;

then, despite the repeal or amendment, the provision or part continues to apply in the particular case until the end of the period.

10 Repeals disregarded for the purposes of dependent provisions

If the operation of a provision (the *subject provision*) of any Act or legislative instrument (within the meaning of the *Legislative Instruments Act 2003*) made under any Act depends to any extent on an Act, or a provision of an Act, that is repealed by this Act, the repeal is disregarded so far as it affects the operation of the subject provision.

11 Schedule does not limit operation of section 8 of the Acts Interpretation Act 1901

This Schedule does not limit the operation of section 8 of the *Acts Interpretation Act 1901*.

Table A

Tax Laws Amendment (2006 Measures No. 5) Act 2006 (No. 110, 2006)

Schedule 3

9 Application

The amendments made by this Schedule apply to assessments for the 2006-2007 year of income and later years of income.

Tax Laws Amendment (Simplified Superannuation) Act 2007 (No. 9, 2007)

Schedule 1

24 Application

- (1) The amendments made by this Part of this Schedule apply to the 2007-2008 income year and later years.

Income Tax Rates Amendment (Superannuation) Act 2007 (No. 19, 2007)

Schedule 1

35 Application

- (1) The amendments made by this Schedule apply to the 2007-2008 income year and later years.
- (2) Despite subitem (1), those amendments apply on and after 1 July 2007, to the extent that they relate to any of the following:
- (a) Divisions 82 and 83 of the *Income Tax Assessment Act 1997*;
 - (b) Divisions 301 to 307 of that Act.

Table A

Tax Laws Amendment (Personal Income Tax Reduction) Act 2007
(No. 76, 2007)

Schedule 1

11 Application

The amendments made by this Part apply to assessments for the 2007-08 year of income and later years of income.

16 Application

The amendments made by this Part apply to assessments for the 2008-09 year of income and later years of income.

Tax Laws Amendment (2007 Measures No. 3) Act 2007 (No. 79, 2007)

Schedule 9

30 Application

- (1) Subject to items 31, 32 and 33 of this Schedule, the amendments made by this Schedule, other than items 13 and 23, apply in relation to income years starting on or after 1 July 2006.

31 Transitional provision—trusts that ceased to exist before introduction

Subsection 98(4) of the *Income Tax Assessment Act 1936*, as inserted by item 1 of this Schedule, does not apply in relation to a trustee of a trust that ceased to exist before the Bill for this Act was introduced into the House of Representatives.

32 Transitional provision—managed investment trusts

- (1) This item applies in relation to the following income years:
- (a) the first income year starting on or after 1 July 2006;
 - (b) the income year immediately prior to the first income year starting on or after the first 1 July after the day on which this Act receives the Royal Assent;
 - (c) each intervening income year (if any).

Table A

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- (2) In this item, expressions mean the same as in the *Income Tax Assessment Act 1997*.
- (3) Subsection 98(4) of the *Income Tax Assessment Act 1936*, as inserted by item 1 of this Schedule, does not apply in relation to a trustee of a trust in relation to an income year to which this item applies if the conditions in subitems (4) to (6) are satisfied for the trust for the income year.
- (4) The trust must be a resident trust estate for the purposes of Division 6 of Part III of the *Income Tax Assessment Act 1936* for the income year.
- (5) At each of the times in the income year mentioned in subitem (9), the trust must be a managed investment scheme (as defined by section 9 of the *Corporations Act 2001*) and be operated by a financial services licensee (as defined by section 761A of that Act) whose licence covers operating such a managed investment scheme.
- (6) At each of the times in the income year mentioned in subitem (9), one of the following must be satisfied:
- (a) units in the trust must be listed for quotation in the official list of an approved stock exchange in Australia;
 - (b) the trust must have at least 50 members (ignoring objects of a trust);
 - (c) one of the entities covered by subitem (7) must be a member of the trust.
- (7) These are the entities:
- (a) a life insurance company;
 - (b) a complying superannuation fund, a complying approved deposit fund or a foreign superannuation fund, being a fund that has at least 50 members;
 - (c) a trust that satisfies the conditions in subitems (4) and (5) and also satisfies the condition in paragraph (a) or (b) of subitem (6);
 - (d) an entity that is recognised, under a foreign law relating to corporate regulation, as an entity with a similar status to a managed investment scheme and that has at least 50 members;
 - (e) a trust:
 - (i) interests in which are owned directly by an entity covered by an earlier paragraph; or
-

Table A

- (ii) interests in which are held indirectly by an entity covered by an earlier paragraph through a *chain of trusts;
where the conditions in subitems (4) and (5) are satisfied for the trust, or for each trust in the chain.
- (8) The condition in subitem (6) is not satisfied for a trust at a time if, at that time, one foreign resident individual, directly or indirectly:
 - (a) held, or had the right to acquire, interests representing 10% or more of the value of the interests in the trust; or
 - (b) had the control of, or the ability to control, 10% or more of the rights attaching to membership interests in the trust; or
 - (c) had the right to receive 10% or more of any distribution of income that the trustee may make.
- (9) The times in an income year are:
 - (a) for a trust that was in existence throughout the income year—the first day and the last day of the income year; and
 - (b) for a trust that comes into existence in the income year—the time that is 1 month after the time the trust comes into existence, and the last day of the income year; and
 - (c) for a trust that ceases to exist in the income year—the first day of the income year and the time that is 1 month before the time the trust ceases to exist.

Tax Laws Amendment (2007 Measures No. 4) Act 2007 (No. 143, 2007)

Schedule 7

96 Application

The amendments made by items 73 to 95 apply to assessments for the 2007-08 income year and later income years.