

1990

THE PARLIAMENT OF THE COMMONWEALTH

OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WOOL TAX (NO. 1) AMENDMENT BILL 1990

WOOL TAX (NO. 2) AMENDMENT BILL 1990

WOOL TAX (NO. 3) AMENDMENT BILL 1990

WOOL TAX (NO. 4) AMENDMENT BILL 1990

WOOL TAX (NO. 5) AMENDMENT BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer,
the Hon. P.J. Keating, MP)



GENERAL OUTLINE

The purpose of these Bills is to amend the Wool Tax Acts (Nos. 1-5) 1964 to increase the maximum rate of tax able to be imposed under each Act, from 10 per cent to 20 per cent.

FINANCIAL IMPACT

The amendments proposed will have no effect on Commonwealth revenue.

MAIN FEATURES

These Bills propose to amend the Wool Tax Acts (Nos. 1-5) 1964 to increase the level of the maximum rate of wool tax able to be imposed on shorn wool by each Act, from 10 per cent to 20 per cent.

Wool tax is imposed for constitutional reasons by five separate Wool Tax Acts which are essentially identical, although each covers a different method of selling shorn wool. Under the Wool Marketing Act 1987 wool tax receipts are apportioned between wool market support, wool research and other functions of the Australian Wool Corporation, such as wool promotion and administration.

In the practical operation of the collection of wool tax, the rate of tax charged is prescribed by regulation, being a rate less than the maximum rate otherwise imposed by an Act, after the Treasurer takes into consideration any recommendations made to him by the Wool Council of Australia.

The rate prescribed at present in respect of each Act is 8 per cent.

NOTES ON CLAUSES

Wool Tax (No.1) Amendment Bill 1990

The Wool Tax Act (No.1) 1964 imposes a tax on shorn wool produced in Australia and sold by a wool-broker.

Clause 1 : Short title

Subclause (1) allows the amending Act to be cited as the Wool Tax (No.1) Amendment Act 1990.

Subclause (2) facilitates references to the Wool Tax Act No. 1 (1964), that is referred to in this Bill as the "Principal Act".

Clause 2 : Commencement

By clause 2, the amending Act is to commence on the day it receives the Royal Assent. But for this clause, the Act would, by reason of subsection 5(1A) of the Acts Interpretation Act 1901, commence on the twenty-eighth day after the date of Assent.

Clause 3 : Rate of Tax

This clause amends paragraph (a) of section 5 of the Principal Act to increase the rate of tax from 10 per cent to 20 per cent of the sale value of shorn wool sold by a wool-broker. The rate of tax actually imposed is subject to the authority under section 6 of the Principal Act for a lesser rate of tax to be prescribed by regulations.

Clause 4 : Application

Section 6 of the Principal Act authorises the Governor-General to make regulations prescribing a lower rate of tax than the maximum rate specified in section 5.

Clause 4 of the Bill provides that regulations made for the purposes of section 5 of the Principal Act as amended by clause 3 of the Bill, in order to set the actual rate of wool tax to apply, may be expressed to apply to all shorn wool sold by a wool-broker after 30 June 1990. The practical effect of this clause is that, following enactment of the Bill, new regulations may be made prescribing a rate of tax in respect only of wool sold after 30 June 1990.

Wool Tax (No. 2) Amendment Bill 1990

The Wool Tax Act (No. 2) 1964 imposes a tax on shorn wool produced in Australia and purchased by a registered wool-dealer from a person other than a wool-broker.

Clause 1 : Short title

Subclause (1) allows the amending Act to be cited as the Wool Tax (No. 2) Amendment Act 1990.

Subclause (2) facilitates references to the Wool Tax Act No. 2 (1964), that is referred to in this Bill as the "Principal Act".

Clause 2 : Commencement

By clause 2, the amending Act is to commence on the day it receives the Royal Assent. But for this clause, the Act would, by reason of subsection 5(1A) of the Acts Interpretation Act 1901, commence on the twenty-eighth day after the date of Assent.

Clause 3 : Rate of Tax

This clause amends paragraph (a) of section 5 of the Principal Act to increase the rate of tax from 10 per cent to 20 per cent of the sale value of shorn wool purchased by a registered wool-dealer from a person other than a wool-broker. The rate of tax actually imposed is subject to the authority under section 6 of the Principal Act for a lesser rate to be prescribed by regulations.

Clause 4 : Application

Section 6 of the Principal Act authorises the Governor-General to make regulations prescribing a lower rate of tax than the maximum rate specified in section 5.

Clause 4 of the Bill provides that regulations made for the purposes of section 5 of the Principal Act as amended by clause 3 of the Bill, in order to set the actual rate of wool tax to apply, may be expressed to apply to all shorn wool purchased by a registered wool-dealer from a person other than a wool-broker after 30 June 1990. The practical effect of this clause is that, following enactment of the Bill, new regulations may be made prescribing a rate of tax in respect only of such wool purchased after 30 June 1990.

Wool Tax (No. 3) Amendment Bill 1990

The Wool Tax Act (No. 3) 1964 imposes a tax on shorn wool produced in Australia and purchased by a manufacturer from a person other than a wool-broker or a registered wool-dealer.

Clause 1 : Short title

Subclause (1) allows the amending Act to be cited as the Wool Tax (No. 3) Amendment Act 1990.

Subclause (2) facilitates references to the Wool Tax Act No. 3 (1964), that is referred to in this Bill as the "Principal Act".

Clause 2 : Commencement

By clause 2, the amending Act is to commence on the day it receives the Royal Assent. But for this clause, the Act would, by reason of subsection 5(1A) of the Acts Interpretation Act 1901, commence on the twenty-eighth day after the date of Assent.

Clause 3 : Rate of Tax

This clause amends paragraph (a) of section 5 of the Principal Act to increase the rate of tax from 10 per cent to 20 per cent of the sale value of shorn wool

purchased by a manufacturer from a person other than a wool-broker or a registered wool-dealer. The rate of tax actually imposed is subject to the authority under section 6 of the Principal Act for a lesser rate of tax to be prescribed by regulations.

Clause 4 : Application

Section 6 of the Principal Act authorises the Governor-General to make regulations prescribing a lower rate of tax than the maximum rate specified in section 5.

Clause 4 of the Bill provides that regulations made for the purposes of section 5 of the Principal Act as amended by clause 3 of the Bill, in order to set the actual rate of wool tax to apply, may be expressed to apply to all shorn wool purchased by a manufacturer from a person other than a wool-broker or a registered wool-dealer after 30 June 1990. The practical effect of this clause is that, following enactment of the Bill, new regulations may be made prescribing a rate of tax in respect only of such wool purchased by a manufacturer after 30 June 1990.

Wool Tax (No. 4) Amendment Bill 1990

The Wool Tax Act (No. 4) 1964 imposes a tax on shorn wool produced in Australia and subjected by a manufacturer to a process of manufacture.

Clause 1 : Short title

Subclause (1) allows the amending Act to be cited as the Wool Tax (No. 4) Amendment Act 1990.

Subclause (2) facilitates references to the Wool Tax Act No. 4 (1964), that is referred to in this Bill as the "Principal Act".

Clause 2 : Commencement

By clause 2, the amending Act is to commence on the day it receives the Royal Assent. But for this clause, the Act would, by reason of subsection 5(1A) of the Acts Interpretation Act 1901, commence on the twenty-eighth day after the date of Assent.

Clause 3 : Rate of Tax

This clause amends paragraph (a) of section 5 of the Principal Act to increase the rate of tax from 10 per cent to 20 per cent of the sale value of shorn wool subjected by a manufacturer to a process of manufacture. The rate of tax actually imposed is subject to the authority under section 6 of the Principal Act for a lesser rate to be prescribed by regulations.

Clause 4 : Application

Section 6 of the Principal Act authorises the Governor-General to make regulations prescribing a lower rate of tax than the maximum rate specified in section 5.

Clause 4 of the Bill provides that regulations made for the purposes of section 5 of the Principal Act as amended by clause 3 of the Bill, in order to set the actual rate of wool tax to apply, may be expressed to apply to all shorn wool subjected by a manufacturer to a process of manufacture after 30 June 1990. The practical effect of this clause is that, following enactment of the Bill, new regulations may be made prescribing a rate of tax in respect only of wool subjected by a manufacturer to a manufacturing process after 30 June 1990.

Wool Tax (No. 5) Amendment Bill 1990

The Wool Tax Act (No. 5) 1964 imposes a tax on shorn wool, produced in, and exported from Australia.

Clause 1 : Short title

Subclause (1) allows the amending Act to be cited as the Wool Tax (No. 5) Amendment Act 1990.

Subclause (2) facilitates references to the Wool Tax Act (No. 5) 1964, that is referred to in this Bill as the "Principal Act".

Clause 2 : Commencement

By clause 2, the amending Act is to commence on the day it receives the Royal Assent. But for this clause, the Act would, by reason of subsection 5(1A) of the Acts Interpretation Act 1901, commence on the twenty-eighth day after the date of Assent.

Clause 3 : Rate of Tax

This clause amends paragraph (a) of section 5 of the Principal Act to increase the rate of tax from 10 per cent to 20 per cent of the sale value of shorn wool exported from Australia.

The rate of tax actually imposed is subject to the authority under section 6 of the Principal Act for a lesser rate of tax to be prescribed by regulations.

Clause 4 : Application

Section 6 of the Principal Act authorises the Governor-General to make regulations prescribing a lower rate of tax than the maximum rate specified in section 5.

Clause 4 of the Bill provides that regulations made for the purposes of section 5 of the Principal Act as amended by clause 3 of the Bill, in order to set the actual rate of wool tax to apply, may be expressed to apply to all shorn wool exported from Australia after 30 June 1990. The practical effect of this clause is that, following enactment of the Bill, new regulations may be made prescribing a rate of tax in respect only of wool exported from Australia after 30 June 1990.