

1992

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WOOL TAX (NOS 1 - 5) AMENDMENT BILLS 1992

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Treasurer, the Hon John Dawkins,
MP and the Minister for Primary Industries and Energy, the Hon Simon
Crean, MP)

General Outline

1. Wool tax is imposed by five separate Acts, the Wool Tax Acts (Nos 1-5) 1964. Each Act provides for the tax to be imposed on a particular taxable dealing with shorn wool (other than carpet wool) and with carpet wool. These dealings are:
 - . (Wool Tax Act (No 1) 1964) - sale by a wool-broker
 - . (Wool Tax Act (No 2) 1964) - purchase by a registered wool-dealer from a person other than a wool-broker
 - . (Wool Tax Act (No 3) 1964) - purchase by a manufacturer from a person other than a wool-broker or a registered wool-dealer
 - . (Wool Tax Act (No 4) 1964) - subjecting the wool to a process of manufacture
 - . (Wool Tax Act (No 5) 1964) - export from Australia.
2. The Wool Tax (Nos 1 - 5) Amendment Bills 1992 will amend the Wool Tax Acts (Nos 1 - 5) 1964 to increase the maximum rate of wool tax that can be imposed on carpet wool from 4% to 6% .
3. The changes will apply from 1 July 1992.

Financial Impact

4. The changes proposed by these Bills will have no net effect on revenue. The wool tax that is collected on carpet wool will be passed on to the Australian Wool Corporation and the Wool Research and Development Corporation.

NOTES ON INDIVIDUAL CLAUSES

Clause 1 - Short title, etc

5. Formal.

Clause 2 - Commencement

6. Provides for commencement of the Bill on 1 July 1992.

Clause 3 - Rate of tax

7. Provides for the maximum rate of wool tax that can be imposed on carpet wool to be increased from 4% to 6% of the sale value of the wool. The increase has been recommended by the Australian Carpet Wool Council.



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