

AUSTRALIAN CAPITAL TERRITORY

DEBITS TAX ACT 1997

DETERMINATION NO. 2 OF 1997

EXPLANATORY STATEMENT

The *Debits Tax Act 1997* imposes debits tax on cheque accounts and accounts having cheque facilities held by banks, credit unions and building societies. It contains an interim determination in section 22, for the purposes of a rebate payable to pensioners or unemployed persons, which sets, from 1 July 1997,

- (1) the threshold amount of debits tax payable in a financial year below which a rebate will not be payable (\$15), and
- (2) the maximum amount of rebate payable in a financial year to an eligible pensioner or unemployed person (\$50)

In the Act these amounts are taken to have been determined by the Minister under subsection 99(1) of the *Taxation (Administration) Act 1987* (the Tax (Admin) Act)

The Tax (Admin) Act deals with the administration of various tax laws relating to the imposition and collection of certain taxes, duties and fees. These tax laws are specified in section 3 of the Tax (Admin) Act, and include the Debits Tax Act. Subsection 99 (1) of the Tax (Admin) Act is the provision which normally will empower the Minister to determine the debits tax threshold for a rebate and maximum amounts payable in a financial year.

This determination, however, is made under subsection 22(3) of the Debits Tax Act. Its purpose is to replace the interim determination. This will allow the Minister to make subsequent determinations of one or both of these amounts under the Tax (Admin) Act to facilitate their revocation or variation.

Subsection 22 (5) of the Debits Tax Act specifies that this determination is not a disallowable instrument for the purposes of section 10 of the *Subordinate Laws Act 1989*. This is principally because the determination does not alter the amounts from those set in the interim determination, which remain at \$15 for the rebate threshold and \$50 for the maximum amount payable in a financial year.

All subsequent determinations for the purposes of subsections 16(7) and (8) of the Debits Tax Act will be made under section 99 of the Tax (Admin) Act, and will be disallowable instruments for the purposes of section 10 of the *Subordinate Laws Act 1989*.

Authorised by the Treasurer, Kate Carnell MLA