

1998
THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

(As presented)

(Treasurer)

Debits Tax (Amendment) Bill 1998

A BILL

FOR

An Act to amend the *Debits Tax Act 1997*

The Legislative Assembly for the Australian Capital Territory enacts as follows:

1. Short title

This Act may be cited as the *Debits Tax (Amendment) Act 1998*.

5 **2. Commencement**

(1) Sections 1, 2 and 3 commence on the day on which this Act is notified in the *Gazette*.

(2) The remaining provisions commence on the day on which Schedule 1 of the *Cheques and Payments Orders Amendment Act 1998* of the
10 Commonwealth commences.

3. Principal Act

In this Act, "Principal Act" means the *Debits Tax Act 1997*.¹

4. Interpretation

Section 3 of the Principal Act is amended—

- (a) by omitting from the definition of “incomplete” in subsection (1) “or payment order” (wherever occurring),
- 5 (b) by omitting from subsection (1) the definitions of “account”, “account transaction”, “cheque” and “financial institution” and substituting the following definitions:
- “ ‘account’ means an account, kept with a financial institution, to which payments by the institution in respect of cheques drawn on the institution by the account holder, or by any 1 or more of the account holders, may be debited,
- 10 ‘account transaction’ means the payment of a cheque or the doing of any other thing that will result in the making of a debit to an account;
- 15 ‘cheque’, in relation to an account, means an order in writing drawn on a financial institution by or on behalf of the account holder, or by any 1 or more of the account holders, requiring the institution to pay on demand a sum certain in money to, or to the order of, a specified person or persons or to bearer;
- 20 ‘financial institution’ means—
- (a) an institution that is a financial institution for the purposes of the *Cheques Act 1986* of the Commonwealth; or
- 25 (b) a person, or member of a class of persons, prescribed for the purposes of this definition;”;
- (c) by omitting from subsection (1) the definitions of “bank”, “non-bank financial institution” and “payment order”; and
- (d) by inserting in subsection (1) the following definition:
- 30 “ ‘banking business’ includes a business carried on by a financial institution in the course of which the institution keeps accounts for its customers;”.

5. Excluded debits

35 Section 6 of the Principal Act is amended by omitting from subparagraph (1) (d) (ii) “or payment order” (wherever occurring).

6. Imposition of tax

Section 10 of the Principal Act is amended by omitting subsection (2) and substituting the following subsection:

“(2) A reference in this section to a debit made to an account kept outside the Territory includes a reference to a debit made to an account (in this subsection called a ‘customer’s account’) kept outside the Territory with a building society, credit union or similar body (including an account kept by way of withdrawable share capital in, or money deposited with, the body) where—

- (a) another account is kept with a financial institution in the name of the body; and
- (b) the customer’s account has characteristics such that a cheque may be drawn on the financial institution by the body and, at a time when it is incomplete, be delivered by the body to a customer under an agreement under which—
 - (i) the customer is authorised to fill up the cheque; and
 - (ii) the body is authorised, for the purpose of making a payment to the bank to enable the bank to honour the cheque, to debit the customer’s account.”.

7. Rebates

Section 16 of the Principal Act is amended by omitting from paragraph (a) of the definition of “unemployed person” in subsection (1) “the Commonwealth Employment Service” and substituting “Centrelink”.

8. Representative officers

Section 19 of the Principal Act is amended—

- (a) by omitting from the definition of “keeping of accounts” in subsection (1) “non-bank”;
- (b) by omitting from the definition of “resident financial institution” in subsection (1) “bank, or a non-bank financial institution,” and substituting “financial institution”;
- (c) by omitting from subsection (1) the definition of “representative officer” and substituting the following definition:
 - “ ‘representative officer’, in relation to a financial institution, means a person appointed under subsection (2);”;
- (d) by omitting from subsection (1) the definition of “carry on business”; and
- (e) by inserting in subsection (4) “banking” before “business”.

9. Repeal

Section 23 of the Principal Act is repealed.

Debits Tax (Amendment) No , 1998

NOTE

Principal Act

1 Act No 20, 1997

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