

1991

THE LEGISLATIVE ASSEMBLY OF THE
AUSTRALIAN CAPITAL TERRITORY

GAS LEVY BILL 1991

TAXATION (ADMINISTRATION) BILL 1991

EXPLANATORY MEMORANDUM

Circulated by the Authority of the
Chief Minister and Treasurer
Ms Rosemary Follett

GAS LEVY BILL 1991

TAXATION (ADMINISTRATION) (AMENDMENT) BILL 1991

The combined effect of the Gas Levy Bill 1991 and the Taxation (Administration) (Amendment) Bill 1991 is to provide a mechanism to facilitate the imposition of a levy on the sale of reticulated gas in the Territory.

Gas Levy Bill 1991

This Bill introduces a levy on the sale of natural gas in the Territory. A levy of 1.75% will be payable by AGL Canberra Limited and any subsequently authorised gas distributors on natural gas sales made during a calendar year.

Authorised gas distributors will be required to lodge a return with the Commissioner for ACT Revenue by 31 March each year for the previous calendar year's sales.

Under the transitional arrangements the first return must be lodged and the levy paid by 31 March 1992 based on sales during the period 1 July 1991 to 31 December 1991.

Details of the Bill are included in attachment A.

Taxation (Administration) (Amendment) Bill 1991

This Bill will supplement the Gas Levy Bill 1991 by amending the Taxation (Administration) Act 1987 (the Tax Act) so as to ensure powers under that Act which apply to other tax laws will apply also to the sale of gas. The Tax Act provides mechanisms for the administration and enforcement of certain Acts which relate to the imposition and collection of taxes, duties, levies and fees.

Details of the Bill are included in Attachment B.

Financial Implications

Estimated revenue of \$635,000 is expected in a full year increasing in line with the increase in the value of sales. Costs of administration will be met within existing Budget.

ATTACHMENT A

GAS LEVY BILL 1991

Clause 1 states that the Bill, once enacted is to be known as the Gas Levy Act 1991.

Clause 2 provides for the incorporation of the Taxation (Administration) Act 1987 (the Tax Act) with the Bill and states that the Bill and the Tax Act are to be read as one. The Tax Act provides mechanisms for the administration and enforcement of certain Acts which relate to the imposition and collection of taxes, duties, levies and fees.

Clause 3 deals with interpretation for the purposes of the Bill.

Clause 4 provides that the Commissioner for ACT Revenue has the general administration of the Bill.

Clause 5 provides for the circumstances where a person is to notify the Commissioner of specified events.

Subclause 5 (1) provides that where a person other than AGL Canberra Limited, becomes an authorised gas distributor that person will notify the Commissioner in writing of that fact.

Subclause 5 (2) provides that when a person ceases to supply gas that person is to notify the Commissioner in writing within 14 days of that fact.

Clause 6 states that authorised distributors are liable for the payment of the determined amount of levy each year.

Clause 7 provides that the rate of levy is 1.75% of the gross revenue derived from the sale of gas by the authorised distributor during the relevant year.

Subclauses 7 (a) and (b) provide that where gas is sold for delivery outside the Territory or to another authorised distributor those sales are to be disregarded for the purposes of calculating the levy.

Clause 8 deals with the lodgement of returns by authorised distributors.

Subclause 8 (1) provides that an authorised distributor is to lodge a return no later than 31 March each year for the preceding calendar year.

Subclause 8 (2) states that the return must be in writing in a form approved by the Commissioner and that it shall specify the total quantity of gas supplied and the gross revenue derived from the sale of gas made during the preceding calendar year.

Clause 9 provides that records shall be kept pursuant to section 96 of the Taxation (Administration) Act 1987 and such other records as may be prescribed by regulation.

Clause 10 deals with the cessation of operations by authorised distributors.

Subclause 10 (1) states an authorised distributor will, where it ceases operations, be required to lodge a return within 14 days and pay a levy as determined. The return shall be for the period commencing 1 January to the day the authorised distributor ceases operation.

Subclause 10 (2) provides that a return for a period less than a full year shall also include the details specified in section 8 (2).

Subclause 10 (3) provides that the levy payable on cessation is the total of the levy payable on sales during the preceding calendar year, if not previously paid, and the levy payable on sale revenue from the preceding 1 January to the date the authorised dealer ceased operations.

Clause 11 provides that the Executive may make regulations which prescribe matters that the Bill requires or permits to be prescribed or that are necessary or convenient to be prescribed for implementing the Bill, so long as those regulations are not inconsistent with the Bill.

Clause 12 states that the first payment of the levy is payable in 1992 and shall be for the period commencing 1 July 1991 and ending 31 December 1991.

ATTACHMENT B

TAXATION (ADMINISTRATION) (AMENDMENT BILL) 1991

Short title

Clause 1 cites the short title of the Bill, once enacted, as the Taxation (Administration) (Amendment) Act 1991 (the Act).

Commencement

Clause 2 provides that this Bill commences on the day which the Gas Levy Act 1991 commences.

Tax Laws

Clause 3 amends section 3 of the Taxation (Administration) Act 1987 by adding the Gas Levy Act 1991.