

AUSTRALIAN CAPITAL TERRITORY

DEBITS TAX ACT 1997

DETERMINATION NO. 1 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 which sets, from 1 July 1997, debits tax payable by specifying the ranges of amounts of **taxable debits** or **eligible debits made to exempt accounts**, and the corresponding amounts of tax payable for each range. Those ranges and amounts were 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 empowers the Minister to determine these taxes, duties and fees.

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 these ranges of amounts and amounts of tax 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 range of amounts of taxable debits or eligible debits, or the amount of tax payable on each range, from those set in the interim determination and shown in the following Table:

TABLE

AMOUNT OF TAX

Range of amounts of taxable debits or eligible debits	Amount of tax
Not less than \$1 but less than \$100	30 cents
Not less than \$100 but less than \$500	70 cents
Not less than \$500 but less than \$5,000	\$1.50
Not less than \$5,000 but less than \$10,000	\$3.00
\$10,000 or more	\$4.00

All subsequent determinations for the purposes of subsection 10(1) 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