

AUSTRALIAN CAPITAL TERRITORY

TAXATION (ADMINISTRATION) ACT 1987

**DETERMINATION FOR THE PURPOSES OF THE BUSINESS FRANCHISE
(LIQUOR) ACT 1993**

NO. 152 OF 1994

EXPLANATORY STATEMENT

The *Taxation (Administration) Act 1987* 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 Act. Section 99 (1) empowers the Minister to determine these taxes, duties and fees.

One of the specified tax laws is the *Business Franchise (Liquor) Act 1993* which provides for different rates for different levels of alcohol content liquor.

This instrument revokes Determination No. 22 of 1993 dated 10 March 1993 and notified in the Australian Capital Territory Special Gazette No. S37 of 12 March 1993, and replaces it with a further Determination.

The new Determination removes the 7% fee on the purchase price of low strength alcohol products. Low alcohol products are those containing ethyl alcohol / volume of 3.5% or less.

The removal of the fee provides a clear distinction between low and high alcohol products in order to discourage the consumption of high alcohol beers thereby ensuring that persons who drive are more likely to have consumed low alcohol products. This implements the Federal Government's National Road Safety Action Plan which proposes a range of priority road safety and trauma reduction measures in order to minimise the number of alcohol related road accidents and fatalities. This proposal is in line with the announcement in the NSW Budget on 14 September to abolish the fee on low strength alcohol products. The fee on high strength alcohol products set by the previous Determination remains unchanged.

The fee on low strength alcohol products will be abolished, effective from the quarterly franchise fee period commencing 1 January 1995.

Authorised by the Chief Minister and Treasurer