Legislative Update

1 April 2014

Revenue measures introduced into Federal Parliament in the current session and since our previous monthly publication include:

**Taxation Administration Act 1953 – Nil rate determination and exemption from lodging Minerals Resource Rent Tax (MRRT) Instalment Liability Notices - Instrument (No. 1) 2014**

registered on 3 March 2014 determines with respect to the Minerals Resource Rent Tax (MRRT), a nil instalment rate for explorers, pre-production taxpayers and simplified MRRT method taxpayers, and also exempts them from lodging MRRT instalment liability notices for the 2015 MRRT year. The instrument applies for the first instalment quarter in the 2015 MRRT year in which the entity is an explorer, a pre-production taxpayer or a simplified MRRT method taxpayer and for later instalment quarters in that MRRT year; and ceases to apply if the Commissioner gives the entity an instalment rate for MRRT under Subdivision 115-E of Schedule 1 to the Taxation Administration Act 1953 (TAA).

- is required to lodge an MRRT return for the 2014 MRRT year, and
- did not pay an MRRT instalment in respect of any instalment quarter during the 2014 MRRT year, and
- is not a ‘major producer’ as defined in clause 5 of the instrument for the 2014 MRRT year.

Under the terms of the instrument, the due date for lodgment is extended (for entities covered by the instrument) until the later of:

- 1 December 2014, and
- the first day of the sixth month after the end of the entity’s 2014 MRRT year.

**Customs Amendment (Anti-Dumping Commission Transfer) Commencement Proclamation 2014**

registered on 17 March 2014 fixes 27 March 2014 as the day on which Schedule 1 to the Customs Amendment (Anti-Dumping Commission Transfer) Act 2013 (Cth) commences. The Act gives effect to the transfer of the Anti-Dumping Commission from the Australian Customs and Border Protection Service to the Department of Industry.

**Paid Parental Leave Amendment Bill 2014**

introduced into the House of Representatives on 19 March 2014 proposes amendments to the existing Paid Parental Leave legislation to remove the requirement for employers to provide Government funded parental leave pay to their eligible long-term employees. From 1 July 2014, employees will be paid directly by the Department of Human Services (DHS), unless an employer opts in to provide parental leave pay to its employees and an employee agrees for their employer to pay them.

**Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014** introduced into the House of Representatives on 19 March 2014 proposes to
repeal the Australian Charities and Not-for-profits Commission Act 2012 (Cth).
This will have the effect of abolishing the Australian Charities and Not-for-profits Commission. The provisions will not however take effect until the enactment of a later Bill, which will provide the details of the arrangements replacing the Commission. The Bill allows the relevant Minister to determine, by legislative instrument, a successor agency to deal with certain transitional matters such as transferring to the successor agency records held by the Commission, any outstanding Ombudsman investigations, and annual reporting requirements.

**Tax Laws Amendment (2014 Measures No 1) Bill 2014** introduced into the House of Representatives on 27 March 2014, proposes amendments to improve the operation of the Farm Management Deposit (FMD) Scheme by:

- allowing taxpayers to consolidate multiple FMDs that they might hold with different providers
- raising the non-primary production income threshold (from $65,000 to $100,000), and
- limiting the rules in the Banking Act for unclaimed moneys to prevent them applying to FMDs.

The increase in the non-primary income threshold and the changes to allow taxpayer to consolidate FMDs apply to income years commencing on or after 1 July 2014.

The Bill also amends the A New Tax System (Goods and Services Tax) Act 1999 (GST Act) and the TAA to ensure that excess goods and services tax (GST) is refundable by the Commissioner only in certain circumstances. The amendments are intended to overcome some deficiencies and uncertainties in the operation of section 105-65 of Schedule 1 to the TAA by replacing the section with Division 142 in the GST Act. The measures were previously introduced into Parliament on 5 August 2013, however the amending legislation lapsed with the proroguing of Parliament.

The amendments apply in relation to working out ‘net amounts’ for tax periods starting on or after the day following Royal Assent. Section 105-65 continues to apply in relation to ‘net amounts’ for tax periods commencing on or prior to Royal Assent of the Bill.

Although 105-65 is repealed from 1 July 2018, it may still apply after this date concerning tax periods commencing on or prior to Royal Assent in certain circumstances including for example to allow the Commissioner to make decisions where a taxpayer has lodged a valid ‘section 105-55 notice’ and it has taken some time to determine the refund claim.

**Let’s talk**

For a deeper discussion of how these issues might affect your business, please contact:

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