Legislative update

1 September 2015

Federal Parliament commenced its Spring sittings on 10 August 2015. Commonwealth revenue measures introduced into Parliament or registered as legislative instruments or regulations since our previous TaxTalk publication include the following:

Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015, introduced into the House of Representatives on 20 August 2015, proposes to:

• amend scrip-for-scrip rollover relief following the Full Federal court decision in Commissioner of Taxation v AXA Asia Pacific Holdings Ltd [2010] FCAFC 134
• remove the income tax exemption for employees of an Australian government agency who work overseas for not less than 91 continuous days in delivery of Official Department Assistance, and
• increase the account balance threshold below which small lost superannuation member accounts will be required to be transferred to the Commissioner of Taxation.

Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill 2015, introduced into the House of Representatives on 20 August 2015, proposes to amend Australia’s income tax transparency laws to better target the laws to multinational enterprises and other publicly accountable companies. Under the changes, the tax transparency laws will no longer apply to Australian-owned private companies. The laws will continue to apply to multinational enterprises operating in Australia and Australian public companies. Under those laws for every corporate tax entity that reports $100 million or more in total income, the Commissioner is required to publish the entity’s reported name and Australian Business Number, total income, taxable income or net income (if any) and income tax payable.

Wine Equalisation Tax: Correcting WET Errors Determination 2015, registered on 28 July 2015, specifies the circumstances in which a taxpayer may correct wine equalisation tax (WET) errors made in an earlier tax period in a later tax period.

Notice of Substituted Rates of Excise Duty - Notice No. 3 (2015) and Notice of Substituted Rates of Customs Duty - Notice (No. 3) 2015, published on 3 August 2015, specifies the substituted rate of excise and customs duty for alcohol and certain petroleum products effective from 1 August 2015.

In addition to the above, the following package of Bills introduced into the House of Representatives on 20 August 2015, proposes to strengthen the integrity of Australia’s foreign investment framework with effect from 1 December 2015:

• Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 includes new civil penalties and additional and stricter criminal penalties to ensure foreign investors and intermediaries do not profit from breaking the rules; transfers to the Australian Taxation Office (ATO) the responsibility for regulating foreign investment in residential real estate; and introduces lower screening thresholds for investments in Australian agriculture.
- **Foreign Acquisitions and Takeovers Fees Imposition Bill 2015** introduces fees on all foreign investment applications, and

- **Register of Foreign Ownership of Agricultural Land Bill 2015** complements the above changes by establishing a register of foreign ownership of agricultural land operated by the ATO.

**Let’s talk**

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

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