

MT 2004 - Bank account debits tax : taxable accounts

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 This document has changed over time. This is a consolidated version of the ruling which was published on *4 July 1983*

TAXATION RULING NO. MT 2004

BANK ACCOUNT DEBITS TAX : TAXABLE ACCOUNTS

F.O.I. EMBARGO: May be released

REF

H.O. REF: 16 L82/3 P5

DATE OF EFFECT:

B.O. REF:

DATE ORIG. MEMO ISSUED: 25.05.83

F.O.I. INDEX DETAIL

REFERENCE NO:

SUBJECT REFS:

LEGISLAT. REFS:

I 1104822

BANK ACCOUNT DEBITS
TAX
TAXABLE ACCOUNTS

BANK ACCOUNT DEBITS
TAX
ADMINISTRATION ACT
1982
3(1)

OTHER RULINGS ON TOPIC

MT 2002

PREAMBLE

A bank carrying on banking business in Australia sought confirmation that certain fixed loan accounts having no cheque drawing facilities for the account holders were not taxable accounts for the purposes of the bank account debits tax.

FACTS

2. The accounts are opened for the purpose of making fixed loans for nominated amounts over specified periods.

3. The only transactions on the accounts are the initial drawdown of the loan, the repayments by the account holder and the debiting to the account by the bank of interest and other account charges. The account holder is not permitted to draw cheques on such a loan account.

RULING

4. Bank accounts to which the bank account debits tax applies are those to which debits may be made in respect of payment of cheques drawn on a bank by a bank customer. As the loan accounts in question are not permitted to be operated by cheque drawn on the bank by the account holder it follows that these bank accounts are not an "account" as defined in sub-section 3(1) of the Bank Account Debits Tax Administration Act 1982. No liability for bank account debits tax will therefore arise in respect of debits made to these accounts

COMMISSIONER OF TAXATION

4 July 1983