Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006

No. 101, 2006

An Act to amend the law relating to taxation, and for related purposes

Note: An electronic version of this Act is available in ComLaw (http://www.comlaw.gov.au/)

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Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006

No. 101, 2006

An Act to amend the law relating to taxation, and for related purposes

[*Assented to 14 September 2006*]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006*.

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information

Column 1	Column 2	Column 3
Provision(s)	**Commencement**	**Date/Details**
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	14 September 2006
2. Schedules 1 and 2	The day on which this Act receives the Royal Assent.	14 September 2006
3. Schedules 3 and 4	1 January 2008.	1 January 2008
4. Schedules 5 and 6	The day on which this Act receives the Royal Assent.	14 September 2006

Note: This table relates only to the provisions of this Act as originally passed by the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

(2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Inoperative provisions repealed on Royal Assent

1 Repeal

The provisions and parts of provisions specified in this Schedule are repealed.

A New Tax System (Australian Business Number) Act 1999

2 Division 14

A New Tax System (Commonwealth-State Financial Arrangements) Act 1999

3 Section 16

Fringe Benefits Tax Assessment Act 1986

4 Subsection 136(1) (definition of *Australian Airlines*)

Income Tax Assessment Act 1936

5 Sections 2 to 4

6 Subsection 6(1) (definition of *adopted child*)

7 Subsection 6(1) (definition of *assessable income from petroleum*)

8 Subsection 6(1) (definition of *Commonwealth country*)

9 Subsection 6(1) (definition of *Commonwealth labour market program*)

10 Subsection 6(1) (definition of *electronic signature*)

11 Subsection 6(1) (definition of *exempt income from petroleum*)

12 Subsection 6(1) (definition of *failure to notify penalty*)

13 Subsection 6(1) (definition of *firearms surrender arrangements*)

14 Subsection 6(1) (definition of *fishing operations*)

15 Subsection 6(1) (definition of *forest operations*)

16 Subsection 6(1) (definition of *horticulture*)

17 Subsection 6(1) (definition of *income from petroleum*)

18 Subsection 6(1) (definition of *income tax laws of Papua New Guinea*)

19 Subsection 6(1) (definition of *late reconciliation statement penalty*)

20 Subsection 6(1) (definition of *Papua New Guinea*)

21 Subsection 6(1) (definition of *Papua New Guinea independence day*)

22 Subsection 6(1) (definition of *pearling operations*)

23 Subsection 6(1) (definition of *petroleum*)

24 Subsection 6(1) (definition of *petroleum prospecting or mining information*)

25 Subsection 6(1) (definition of *petroleum prospecting or mining right*)

26 Subsection 6(1) (definition of *previous Act*)

27 Subsection 6(1) (definition of *primary production*)

28 Subsection 6(1) (definition of *public securities*)

29 Subsection 6(1) (definition of *reportable fringe benefits amount*)

30 Subsection 6(1) (definition of *shares*)

31 Subsection 6(1) (definition of *tainting amount*)

32 Subsection 6(1B)

33 Subsections 6(7) to (8)

34 Subsections 6AA(3) to (3C)

35 Paragraph 6AA(4)(d)

36 Section 6G

37 Paragraph 16(4)(ca)

38 Section 17

39 Section 19

40 Sections 22 to 23AAA

Note: Remade versions of parts of section 23, which is repealed by the above item, are included in the *Income Tax Assessment Act 1997* by Schedule 2 to this Act. The provisions concerned (and the remade sections) are: subparagraphs 23(a)(ii) and (vi) (section 768-100); paragraph 23(b), subparagraphs 23(c)(iii) to (v) and paragraphs 23(u), (v) and (ya) (section 842-105); and paragraphs 23(kc) and (kca) (section 768-105). Paragraph 23(jb) has also been remade by Schedule 2 as paragraph 128B(3)(jb) of the *Income Tax Assessment Act 1936*.

41 Subsection 23AB(1) (definition of *work and income support related withholding payments and benefits)*

42 Subsection 23AB(6A)

43 Sub-subparagraph 23AB(7)(a)(ii)(A)

44 Section 23ADA

45 Section 23AE

46 Section 23AL

Note: A remade version of section 23AL is included in the *Income Tax Assessment Act 1997* by item 748 of Schedule 2 to this Act.

47 Sections 23C, 23D and 23H

48 Division 1AA of Part III

49 Sections 24BA and 24BB

50 Section 24N

51 Subsection 24P(7)

52 Section 25

53 Sections 25B to 26AAB

Note: Remade versions of paragraphs 26(e), (eaa), (ea) and (i), which are repealed by the above item, are included in the *Income Tax Assessment Act 1997* by items 627 and 628 of Schedule 2 to this Act.

54 Subsection 26AAC(10)

55 Paragraph 26AB(5)(a)

56 Sections 26B and 26BA

57 Subdivisions B and C of Division 2 of Part III (not including the heading to Subdivision B and not including section 36AAA)

58 Subsection 45(4)

59 Paragraph 45B(8)(g)

60 Sections 45Z to 46

61 Subsection 46A(13)

62 Section 46C

63 Section 46F

64 Division 2A of Part III

65 Section 51

Note: Remade versions of subsections 51(8) and (9), which are repealed by the above item, are included in the *Income Tax Assessment Act 1997* by item 663 of Schedule 2 to this Act.

66 Section 51AB

67 Section 51AE

68 Section 51AG

69 Section 51AL

70 Sections 53 to 62AAV

Note: Item 813 of Schedule 2 includes a provision in the *Income Tax (Transitional Provisions) Act 1997* as a consequence of the repeal of section 57AM by the above item.

71 Subsections 63(1AAA) to (1AA)

72 Subsections 63(1B) to (4)

73 Sections 63A to 63CC

74 Sections 64 and 64A

75 Subsections 65(1AA), (1), (1A), (1D), (1E), (1F), (2) and (3)

76 Section 67

77 Sections 67AA to 70A

Note: A remade version of subsection 69(7), which is repealed by the above item, is included in the *Income Tax Assessment Act 1997* by item 659 of Schedule 2 to this Act.

78 Sections 71 to 73

79 Subsection 73A(6) (definition of *consideration received or receivable in respect of the disposal, loss or destruction*)

80 Subsection 73B(1) (paragraph (c) of the definition of *aggregate research and development amount*)

81 Subsection 73B(1) (definition of *building expenditure*)

82 Subsection 73B(1) (definition of *undeducted building expenditure*)

83 Subsections 73B(7), (17), (25), (26), (28) to (30), (37) and (38)

84 Section 73D

85 Section 73F

86 Sections 74 to 78AB

Note: A remade version of sections 74A and 74B, which are repealed by the above item, is included in the *Income Tax Assessment Act 1997* by item 660 of Schedule 2 to this Act.

87 Section 78B

88 Section 79C

89 Sections 79E to 81

90 Subsections 82(1A) and (1)

91 Subdivisions B to CA of Division 3 of Part III

92 Subsection 82KH(1C)

93 Subdivisions F to G of Division 3 of Part III

94 Subsection 82R(6)

95 Section 82S

96 Division 4 of Part III

97 Section 93

98 Section 94W

99 Section 94Y

100 Subsection 97A(2) (definition of *eligible primary producer*)

101 Subsection 97A(2) (definition of *owner of a current IED scheme deposit*)

102 Section 102AAB (definition of *basic statutory interest rate*)

103 Section 102AAB (definition of *pre-franking rebate tax*)

104 Subdivision C of Division 6AAA of Part III

105 Subsection 102AAZ(3)

106 Section 102AH

107 Subsections 102L(4), (8), (9), (12), (14), (16) and (17)

108 Subsections 102T(4A), (5), (9), (10), (13), (15), (17) and (18)

109 Subsection 103(1) (all definitions except *the relevant holding company or holding companies*)

110 Subsection 103(1A)

111 Sections 103AA to 107A

112 Paragraph 109ZA(b)

113 Section 109ZD (definition of *PAYE earnings*)

114 Section 109ZD (definition of *work and income support related withholding payments and benefits*)

115 Division 9B of Part III

116 Subsection 121F(1) (paragraph (a) of the definition of *relevant exempting provision*)

117 Divisions 10 to 10A of Part III

118 Subsection 124K(1) (subparagraphs (a)(i) and (iii) of the definition of *unit of industrial property*)

119 Subsection 124L(2)

120 Subsection 124S(3)

121 Section 124X

122 Sections 124ZAF and 124ZAN

123 Divisions 10C and 10D of Part III

124 Division 10F of Part III

125 Paragraphs 128AAA(2)(c) and (d)

126 Subsection 128A(1) (definition of *associated persons*)

127 Subsection 128A(1) (definition of *bearer debenture*)

128 Subsection 128A(8)

129 Paragraphs 128B(3)(c) and (g)

130 Subsection 128B(3B) (definition of *finance arrangement*)

131 Subsections 128C(1A) to (2)

Note: Item 342 of Schedule 2 amends subsection 128C(1) as a consequence of the repeal of subsection 128C(1A) by the above item.

132 Subsection 128C(5)

133 Section 128E

134 Sections 128G and 128GA

135 Sections 128H to 128N

136 Subsection 136AE(9)

137 Section 136AG

138 Subsections 156(1A), (4) and (4A)

139 Divisions 16A and 16C of Part III

140 Paragraph 159GJ(1)(a)

141 Subparagraphs 159GJ(2)(a)(i) and (iv)

142 Subparagraphs 159GJ(2)(c)(i) and (iv)

143 Sub-subparagraph 159GJ(4)(b)(iii)(B)

144 Division 16H of Part III

Note: Item 844 of Schedule 2 include provisions in the *Income Tax (Transitional Provisions) Act 1997* as a consequence of the repeal of Division 16H of Part III by the above item.

145 Subsection 159GZZZC(2)

146 Subsection 159HA(7) (paragraph (b) of the definition of *indexable amount*)

147 Subdivision AAD of Division 17 of Part III

148 Sections 160AB to 160ACE

149 Subsection 160AE(1) (definition of *undistributed amount*)

150 Subsection 160AF(4)

151 Section 160AGB

152 Subsection 160AN(4)

153 Parts IIIAA and IIIA

154 Subsection 170(10) (table items 2, 7 to 9, 11, 15 and 19)

155 Section 170AA

156 Section 202A (definition of *eligible paying authority*)

157 Section 202A (definition of *salary or wages*)

158 Subsection 202BD(7)

159 Subsection 202DM(2)

160 Sections 205 to 209

161 Sections 214 to 218

162 Section 220

163 Divisions 1AAA to 6A of Part VI

Note 1: Items 949 and 951 to 956 of Schedule 2 include provisions in the *Taxation Administration Act 1953* as a consequence of the repeal of Subdivision C of Division 3B of Part VI by the above item.

Note 2: A remade version of section 221B, which is repealed by the above item, is included in the *Taxation Administration Act 1953* by item 970 of Schedule 2 to this Act.

Note 3: A remade version of section 221YSA, which is repealed by the above item, is included in the *Income Tax Assessment Act 1936* by item 345 of Schedule 2 to this Act.

164 Part VII

165 Section 251Y

166 Sections 258 and 259

Note: Item 15 of Schedule 6 extends the operation of subsection 265-45(2) in Schedule 1 to the *Taxation Administration Act 1953* as a consequence of the repeal of section 259 by the above item.

167 Subsection 262A(4AB)

168 Section 264CA

169 Subsection 296(3)

170 Section 305

171 Paragraph 399A(1)(a)

172 Subsection 401(2)

173 Subsection 405(2)

174 Section 407

175 Paragraph 427(a)

176 Subsection 461(2)

177 Sections 546 to 549

178 Subsection 555(2) (definition of *basic statutory interest rate*)

179 Sections 587 and 588

180 Subsection 592(2) (definition of *basic statutory interest rate*)

181 Section 597

182 Subsection 613(2)

183 Part XII

184 Schedule 1

185 Schedules 2A and 2B

186 Subsection 245-70(3) in Schedule 2C

187 Subsection 245-140(1) in Schedule 2C (table items 1, 3, 5, 6, 9 to 13, 15 to 19, 21, 24 and 25)

188 Subsection 245-140(1A) in Schedule 2C

189 Paragraphs 57-25(4)(a) to (d), (g), (h), (k) and (l) in Schedule 2D

190 Section 57-35 (paragraph (d) of the definition of *asset*)

191 Subdivision 57-I in Schedule 2D

192 Subsection 57-85(3) in Schedule 2D (table items 2 to 4, 6, 7A, 8, 10 to 12 and 14A to 17)

193 Subsection 57-110(2) in Schedule 2D (table items 2, 3, 4, 5A, 6, 8A and 9)

194 Paragraphs 268-35(2)(a) and (b) in Schedule 2F (including the notes)

195 Paragraph 268-35(5)(i) in Schedule 2F (including the note)

196 Sections 268-50 and 268-55 in Schedule 2F

197 Section 271-85 in Schedule 2F

198 Section 393-25 in Schedule 2G (definition of *deduction exemption certificate*)

199 Subsection 326-5(5) in Schedule 2H

Income Tax Assessment Act 1997

200 Section 10-5 (table item headed "development allowance")

201 Section 10-5 (table item headed "drought investment allowance")

202 Section 10-5 (table item headed "income equalisation deposits")

203 Section 11-15 (table item headed "GST Direct Assistance Certificate recipient")

204 Section 12-5 (table item headed "composite incomes")

205 Section 12-5 (table item headed "development allowance")

206 Section 12-5 (table item headed "drought investment allowance")

207 Section 12-5 (table item headed "firearms surrender payments")

208 Section 12-5 (table item headed "heritage conservation work")

209 Section 12-5 (table item headed "promoters recoupment tax")

210 Section 12-5 (table item headed "State Bank of NSW")

211 Section 12-5 (table item headed "successive deductions")

212 Section 12-5 (table item headed "tax file number (TFN) withholding tax")

213 Section 13-1 (table item headed "Commonwealth Savings Bank")

214 Section 13-1 (table item headed "heritage conservation")

215 Section 13-1 (table item headed "loan interest")

216 Section 17-25

217 Section 25-80

218 Paragraphs 26-55(1)(b), (c) and (e)

219 Section 27-30

220 Subsection 30-25(2) (table items 2.2.5 and 2.2.12)

221 Subsection 30-45(2) (table items 4.2.8 and 4.2.16 to 4.2.18)

222 Subsection 30-50(2) (table items 5.2.2 to 5.2.10, 5.2.12 to 5.2.15, 5.2.17 to 5.2.20 and 5.2.23)

223 Subsection 30-70(2) (table items 8.2.1 and 8.2.2)

224 Subsection 30-80(2) (table items 9.2.9 and 9.2.11)

225 Section 30-95 (table item 11.2.6)

226 Subsection 30-100(2) (table item 12.2.3)

227 Section 30-102 (table items 12A.2.11 and 12A.2.12)

228 Section 30-105 (table item 13.2.1)

229 Subsection 30-315(2) (table items 2AA, 2A, 18, 20B, 23A, 25B, 28, 28B, 29, 32, 34A, 59, 64A, 67A, 68A, 72AA, 72B, 72BB, 74A, 81, 94, 97AA, 104A, 104C, 106, 110B, 112A, 112B, 112D, 114A, 118AA and 123A)

230 Section 51-60

231 Subdivision 61-G

232 Subsection 70-40(2) (notes 1 and 2)

233 Subsection 104-15(4) (note)

234 Subsection 104-210(1) (note)

235 Section 115-10 (note)

236 Section 118-14

237 Paragraphs 165-55(5)(d), (e) and (i) (including the note after paragraph (i))

238 Subsection 165-55(6) (note)

239 Subsection 165-240(7)

240 Section 320-40

241 Subsection 328-295(1) (note 2)

242 Subsection 405-15(1) (note)

243 Section 405-45 (note)

244 Subsections 405-50(1) and (3) (note)

245 Section 820-10 (table item 3)

246 Subsections 820-445(1) and (2)

247 Subsection 820-445(3) (heading)

248 Subdivision 820-F

249 Section 820-581 (last paragraph of the example)

250 Subdivision 960-R

251 Subsection 995-1(1) (paragraph (d) of the definition of *BAS provisions*)

252 Subsection 995-1(1) (paragraphs (b) and (c) of the definition of *capital allowance*)

253 Subsection 995-1(1) (definition of *exempting company*)

254 Subsection 995-1(1) (definition of *leasing company*)

255 Subsection 995-1(1) (definition of *maximum TC group*)

256 Subsection 995-1(1) (definition of *Pre-GST annual turnover*)

257 Subsection 995-1(1) (definition of *priority agreement*)

258 Subsection 995-1(1) (definition of *qualified person*)

259 Subsection 995-1(1) (definition of *resident TC group*)

260 Subsection 995-1(1) (paragraph (c) of the definition of *safe harbour capital amount*)

261 Subsection 995-1(1) (definition of *specified management fees*)

262 Subsection 995-1(1) (definition of *top entity*)

Income Tax Rates Act 1986

263 Subsection 3(1) (definition of *reduced notional income*)

264 Subsection 12(5)

265 Schedule 9

Income Tax (Transitional Provisions) Act 1997

266 Subsection 20-1(2) (including the note)

267 Section 20-5

268 Division 28

269 Section 40-85

270 Divisions 41 and 42

271 Section 51-5

272 Subsection 70-1(1) (second sentence)

273 Section 70-5

274 Subdivision 104-B

275 Section 104-72

276 Section 104-210

277 Division 115

278 Division 138

279 Division 330

280 Division 373

281 Division 385

282 Division 387

283 Division 400

284 Division 405

285 Section 701-30

286 Sections 820-15 to 820-40

287 Sections 830-5 and 830-10

Taxation Administration Act 1953

288 Division 1 of Part IIA (heading)

289 Subsection 8AAB(4) (table items 10 to 29)

290 Divisions 2 and 3 of Part IIA

291 Subsection 12-45(3) in Schedule 1

292 Subsections 16-75(1) and (3) in Schedule 1 (notes)

293 Group heading before section 16-120 in Schedule 1

294 Sections 16-120 to 16-135 in Schedule 1

295 Subsection 45-70(1) in Schedule 1 (note)

296 Group heading before section 45-170 in Schedule 1

297 Sections 45-170 to 45-180 in Schedule 1

298 Subsection 250-10(1) in Schedule 1 (table item 60)

299 Subsection 250-10(2) in Schedule 1 (table items 75 and 80)

Taxation (Interest on Overpayments and Early Payments) Act 1983

300 Subsection 3(1) (definition of *final instalment day*)

301 Subsection 3(1) (definition of *instalment taxpayer*)

302 Subsection 3(1) (definition of *provisional tax*)

303 Subsection 3(1) (definition of *relevant entity*)

304 Section 3C (table items 10, 30, 35, 60, 65, 70 and 75 in the definition of *relevant tax*)

305 Subparagraph 8A(1)(a)(iv)

306 Subparagraphs 8A(1)(a)(vi) to (x)

307 Subsection 8A(1A)

308 Subparagraphs 8E(1)(d)(ii) and (2)(d)(ii)

309 Subparagraph 8G(1)(d)(ii)

310 Subparagraph 8G(2)(c)(ii)

311 Subsections 8H(1) and (2)

312 Subsection 9(5)

313 Sub-subparagraphs 10(1)(a)(iii)(B) and (C)

314 Paragraph 10(1)(aa)

315 Section 10A

316 Subparagraphs 12A(1)(a)(ii) and (iii)

317 Sub-subparagraphs 12A(1)(a)(iv)(D) and (F) to (J)

Trust Recoupment Tax Assessment Act 1985

318 Subsection 4(6)

Schedule 2—Consequential amendments relating to Schedule 1 repeals etc.

Part 1—Amendments: general

Aboriginal Land Rights (Northern Territory) Act 1976

1 Subsection 64A(2)

Omit "neither subsection 221ZB(1) of the *Income Tax Assessment Act 1936* nor section 12-320 in Schedule 1 to the *Taxation Administration Act 1953* applies", substitute "section 12-320 in Schedule 1 to the *Taxation Administration Act 1953* does not apply".

Airports (Transitional) Act 1996

2 Section 48A (definition of *plant*)

Omit "section 42-18", substitute "subsection 995-1(1)".

3 Sections 49, 49A, 50, 50A, 51, 51A, 52, 53 and 54

Repeal the sections.

Air Services Act 1995

4 Subsection 52(1)

Omit "paragraph 23(d) of the *Income Tax Assessment Act 1936*", substitute "section 50-25 of the *Income Tax Assessment Act 1997*".

A New Tax System (Australian Business Number) Act 1999

5 Section 5A (note)

Omit "under subsection 38(1)".

6 Section 41 (definition of *enterprise*)

Repeal the definition, substitute:

> ***enterprise*** has the meaning given by section 9-20 of the *A New Tax System (Goods and Services Tax) Act 1999*.

7 Section 41 (definition of *entity*)

Repeal the definition, substitute:

> ***entity*** has the meaning given by section 184-1 of the *A New Tax System (Goods and Services Tax) Act 1999*.

8 Section 41 (definition of *lodged electronically*)

Repeal the definition, substitute:

> ***lodged electronically***: a document is lodged electronically if it is transmitted to the Registrar in an electronic format approved by the Registrar.

A New Tax System (Bonuses for Older Australians) Act 1999

9 Paragraphs 35(3)(b) and (4)(a)

Before "subsection 221A(1)", insert "former".

10 Paragraph 35(4)(b)

Before "section 69", insert "former".

11 Paragraph 35(4)(c)

Before "section 74", insert "former".

12 Paragraph 36(3)(a)

Before "subsection 221A(1)", insert "former".

A New Tax System (Goods and Services Tax) Act 1999

13 Paragraph 9-20(2)(d)

Omit "subsection 12-45(3)", substitute "paragraph 12-45(1)(e)".

A New Tax System (Tax Administration) Act (No. 2) 2000

14 Subitem 3(1) of Schedule 1

After "corresponding", substitute "former".

15 Subitem 3(1) of Schedule 1 (table, heading to column 3)

Omit "**1936 Act provision**", substitute "**Former 1936 Act provision**".

16 Subitem 3(1) of Schedule 1 (table item 7)

Repeal the item.

17 Subitem 3(2) of Schedule 1

Before "section 224", insert "former".

AUSSAT Repeal Act 1991

18 Subsection 8(2)

Before "sections", insert "former".

Australian Postal Corporation Act 1989

19 Subsection 63(2)

Omit "paragraph 23(d) of the *Income Tax Assessment Act 1936* or".

Australian Prudential Regulation Authority Act 1998

20 Subsection 55(3)

Omit "paragraph 23(d) of the *Income Tax Assessment Act 1936* or".

Bank Integration Act 1991

21 Subsection 5(1) (paragraph (d) of the definition of *asset*)

Repeal the paragraph.

22 Paragraph 22(4)(c)

Omit ", foreign tax credits and dividend rebates under section 46 of the *Income Tax Assessment Act 1936*", substitute "and foreign tax credits".

23 Subsection 22(5)

Omit "Part IIIAA of the *Income Tax Assessment Act 1936*", substitute "Part 3-6 of the *Income Tax Assessment Act 1997* (about the imputation system)".

24 Paragraph 22(5)(b)

Omit "franking year", substitute "income year".

Bankruptcy Act 1966

25 Paragraph 109(1A)(b)

Before "subsections", insert "former".

26 Paragraph 109(1A)(b)

Before "section", insert "former".

Child Support (Registration and Collection) Act 1988

27 Paragraphs 50(2)(a) and (b)

Before "subsection 221YHZD(3)", insert "former".

28 Paragraph 72B(4)(b)

Repeal the paragraph, substitute:

(b) money due by the person to the debtor is taken to be money that comes to the person on behalf of the debtor, other than money that is:

(i) a payment of a royalty referred to in Subdivision 12-F in Schedule 1 to the *Taxation Administration Act 1953*; or

(ii) a payment to which section 12-325 of that Schedule applies (natural resource payments).

Corporations Act 2001

29 Subsection 443BA(2) (definition of *remittance provision*)

After "following", insert "former".

30 Paragraph 459E(5)(aa)

Before "section", insert "former".

31 Paragraph 459E(5)(a)

Before "section" (wherever occurring), insert "former".

32 Paragraphs 459E(5)(b) to (d)

Before "subsection", insert "former".

33 Subsection 588F(2) (definition of *remittance provision*)

After "following", insert "former".

34 Paragraphs 588FGA(1)(aa) and (a)

Before "section" (wherever occurring), insert "former".

35 Paragraphs 588FGA(1)(b) to (d)

Before "subsection", insert "former".

Crimes (Taxation Offences) Act 1980

36 Subsection 3(1) (paragraph (aa) of the definition of *income tax*)

After "under", insert "former".

37 Subsection 3(1) (paragraph (b) of the definition of *income tax*)

Omit "subsection 221AZMAA(1), subsection 221AZP(1), subsection 221YD(3), section 221YDB or", substitute "former subsection 221AZMAA(1), former subsection 221AZP(1), former subsection 221YD(3), former section 221YDB or former".

38 Subsection 3(1) (paragraphs (c) to (cb) of the definition of *income tax*)

After "under", insert "former".

39 Subsection 3(1) (paragraph (d) of the definition of *income tax*)

Repeal the paragraph, substitute:

(d) any amount payable under former section 220AAE, 220AAM or 220AAR, or former subsection 221EAA(1), of the Income Tax Assessment Act; and

40 Subsection 3(1) (paragraph (f) of the definition of *income tax*)

After "under", insert "former".

41 Subsection 3(1) (paragraph (g) of the definition of *income tax*)

Before "subsection" (wherever occurring), insert "former".

42 Subsection 3(1) (paragraph (g) of the definition of *income tax*)

Before "subparagraph", insert "former".

43 Subsection 3(1) (paragraph (g) of the definition of *income tax*)

Before "section", insert "former".

Crown Debts (Priority) Act 1981

44 Section 4

Omit "in the *Corporations Act 2001* affects the operation of section, subsections", substitute "or in the *Corporations Act 2001* affects the operation of former subsections".

45 Section 4

Before "section 221YU", insert "former".

Defence Act 1903

46 Subsection 122AA(3)

Repeal the subsection.

Development Allowance Authority Act 1992

47 Chapter 2

Repeal the Chapter.

48 Subsection 93D(1) (definition of *relevant exempting provision*)

Repeal the definition, substitute:

> ***relevant exempting provision*** has the meaning given by subsection 121F(1) of the *Income Tax Assessment Act 1936*.

Export Finance and Insurance Corporation Act 1991

49 Subsection 63(4)

Omit "paragraph 23(d) of the *Income Tax Assessment Act 1936* or".

Financial Corporations (Transfer of Assets and Liabilities) Act 1993

50 Section 3 (paragraph (d) of the definition of *asset*)

Repeal the paragraph.

51 Paragraph 14A(5)(a)

Repeal the paragraph.

52 Paragraph 15(1)(a)

Omit "25,".

53 Paragraph 15(1)(b)

Omit "51,".

54 Subsection 15(2)

Omit "section 51 of the *Income Tax Assessment Act 1936* or".

55 Paragraph 15(3)(a)

Omit "25,".

56 Paragraph 15(3)(b)

Omit "51,".

57 Paragraph 16(1)(a)

Omit "section 25 of the *Income Tax Assessment Act 1936* or".

58 Paragraph 16(1)(b)

Omit "section 51 of the *Income Tax Assessment Act 1936* or".

59 Subsection 16(2)

Omit "section 25 of the *Income Tax Assessment Act 1936* or".

60 Paragraph 16(3)(a)

Omit "section 25 or".

61 Paragraph 16(3)(b)

Omit "section 51 or".

62 Subparagraph 17(1)(b)(i)

Omit "under section 25 or Division 16E of Part III of the *Income Tax Assessment Act 1936* or section", substitute "under former section 25, or under Division 16E of Part III, of the *Income Tax Assessment Act 1936* or under section".

63 Subparagraph 17(1)(b)(ii)

Omit "under section 51 or Division 16E of Part III of the *Income Tax Assessment Act 1936* or section", substitute "under former section 51, or under Division 16E of Part III, of the *Income Tax Assessment Act 1936* or under section".

64 Paragraph 17(2)(b)

Omit "under section 51 or Division 16E of Part III of the *Income Tax Assessment Act 1936* or section", substitute "under former section 51, or under Division 16E of Part III, of the *Income Tax Assessment Act 1936* or under section".

65 Section 20

Repeal the section.

66 Paragraph 21(1)(c)

Omit "section 28 of the *Income Tax Assessment Act 1936* or".

67 Paragraph 21(1)(d)

Omit "section 51 of the *Income Tax Assessment Act 1936* or".

68 Subparagraph 21(1)(d)(ii)

Omit "section 31 of the *Income Tax Assessment Act 1936* or".

69 Paragraph 21(1)(e)

Omit "section 36 of the *Income Tax Assessment Act 1936* and".

70 Paragraph 21(2)(c)

Omit "the *Income Tax Assessment Act 1936* or".

71 Paragraph 21(2)(d)

Omit "section 51 of the *Income Tax Assessment Act 1936* or".

72 Paragraph 21(2)(e)

Omit "section 36 of the *Income Tax Assessment Act 1936* and".

73 Subsection 22(4) (paragraph (b) of the definition of *unrecouped deductions*)

Omit "51 or 63", substitute "63 or former section 51".

74 Subsection 22(4) (paragraph (d) of the definition of *unrecouped deductions*)

Before "subsection", insert "former".

75 Subdivision A of Division 8 of Part 3

Repeal the Subdivision.

76 Section 26B

Repeal the section.

77 Paragraph 26C(1)(b)

Omit "section 80G of the *Income Tax Assessment Act 1936* or", substitute "former section 80G of the *Income Tax Assessment Act 1936* or under".

78 Paragraph 26C(1)(c)

Before "section", insert "former".

79 Schedules 1 and 2

Repeal the Schedules.

Financial Sector (Transfers of Business) Act 1999

80 Subsection 4(1) (paragraph (d) of the definition of *asset*)

Repeal the paragraph, substitute:

(d) any CGT asset within the meaning of the *Income Tax Assessment Act 1997*.

Fringe Benefits Tax Assessment Act 1986

81 Paragraph 19(1)(b)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

82 Paragraph 19(1)(ba) (subparagraph (ii) of the definition of *RD*)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

83 Paragraph 24(1)(b)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

84 Paragraph 24(1)(ba) (subparagraph (ii) of the definition of *RD*)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

85 Paragraph 34(1)(b)

Omit ", and Subdivisions F and GA of Division 3 of Part III,".

86 Paragraph 34(1)(ba) (subparagraph (ii) of the definition of *RD*)

Omit ", and Subdivisions F and GA of Division 3 of Part III,".

87 Paragraph 37(b)

Omit ", and Subdivisions F and GA of Division 3 of Part III,".

88 Paragraph 37(b)

Omit "under section 51 of the *Income Tax Assessment Act 1936*, or section 8-1 of the *Income Tax Assessment Act 1997*,", substitute "section 8-1 of the *Income Tax Assessment Act 1997*".

89 Paragraph 37(c) (subparagraph (ii) of the definition of *RD*)

Omit ", and Subdivisions F and GA of Division 3 of Part III,".

90 Paragraph 37(c) (subparagraph (ii) of the definition of *RD*)

Omit "under section 51 of the *Income Tax Assessment Act 1936*, or section 8-1 of the *Income Tax Assessment Act 1997*,", substitute "section 8-1 of the *Income Tax Assessment Act 1997*".

91 Paragraph 44(1)(b)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

92 Paragraph 44(1)(ba) (subparagraph (ii) of the definition of *RD*)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

93 Paragraph 52(1)(b)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

94 Paragraph 52(1)(ba) (subparagraph (ii) of the definition of *RD*)

Omit ", and Subdivisions F, GA and G of Division 3 of Part III,".

95 Paragraph 52(1)(ba) (subparagraph (ii) of the definition of *RD*)

Omit "section 48, 49, 50 or 51 of the *Income Tax Assessment Act 1936*, or".

96 Subsection 136(1) (definition of *assessable income*)

Repeal the definition, substitute:

> ***assessable income*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

97 Subsection 136(1) (definition of *associate*)

Repeal the definition, substitute:

> ***associate*** has the meaning given by section 318 of the *Income Tax Assessment Act 1936*.
>
> Note: Section 159 of this Act affects the above definition.

98 Subsection 136(1) (definition of *basic car rate*)

Repeal the definition, substitute:

> ***basic car rate***, in relation to a year of tax ending on 31 March in a year, means the rate prescribed for the purposes of section 28-25 of the *Income Tax Assessment Act 1997* in relation to the year of income ending on 30 June in that year.

99 Subsection 136(1) (definition of *car*)

Repeal the definition, substitute:

> ***car*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

100 Subsection 136(1) (definition of *child*)

Repeal the definition, substitute:

> ***child*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

101 Subsection 136(1) (definition of *deductible expenses*)

Repeal the definition, substitute:

> ***deductible expenses***, in relation to an allowance paid to an employee, means expenses incurred by the employee in respect of which a deduction is allowable to the employee under section 8-1 of the *Income Tax Assessment Act 1997* (ignoring Divisions 28, 32 and 900 of that Act).

102 Subsection 136(1) (definition of *disease*)

Repeal the definition, substitute:

> ***disease*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

103 Subsection 136(1) (definition of *documentary evidence*)

Repeal the definition, substitute:

> ***documentary evidence***, in relation to an expense incurred by a person, means a document that would constitute written evidence of the expense obtained in a way described in Subdivision 900-E of the *Income Tax Assessment Act 1997* if the expense were a work expense, and Division 900 of that Act applied to the person.

104 Subsection 136(1) (definition of *motor vehicle*)

Repeal the definition, substitute:

> ***motor vehicle*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

105 Subsection 136(1) (paragraphs (a) and (b) of the definition of *non-deductible entertainment expenditure*)

Repeal the paragraphs, substitute:

(a) section 32-5 of the *Income Tax Assessment Act 1997* applies to it, or would apply if it were incurred in producing assessable income; and

(b) apart from that section, it would be deductible under section 8-1 of that Act, or would be if it were incurred in producing assessable income;

106 Subsection 136(1) (definition of *non-deductible entertainment expenditure*)

Omit "subsection 51AE(5AA) of the *Income Tax Assessment Act 1936* and".

107 Subsection 136(1) (definition of *relative*)

Repeal the definition, substitute:

relative has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

108 Subsection 136(1) (definition of *religious practitioner*)

Repeal the definition, substitute:

religious practitioner has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

109 Subsection 136(1) (definition of *spouse*)

Repeal the definition, substitute:

spouse has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

110 Subsection 136(1) (definition of *year of income*)

Repeal the definition, substitute:

year of income means an income year (within the meaning of the *Income Tax Assessment Act 1997*).

111 Subsection 159(1)

Repeal the subsection.

112 Subsection 159(4)

Repeal the subsection, substitute:

(4) For the purposes of this Act, section 318 of the *Income Tax Assessment Act 1936* has effect as if "a partnership in which the primary entity is a partner" were omitted from paragraphs (1)(b) and (2)(a) of that section and "a partnership in which the primary entity is or was a partner (whether or not the partnership still exists)" were substituted.

Future Fund Act 2006

113 Subsection 31(4) (note)

Omit "section 67-30", substitute "Division 63".

Higher Education Funding Act 1988

114 Subsection 106H(1) (subparagraph (b)(ii) of the definition of *HEC repayment income*)

Before "section", insert "former".

115 Subsection 106U(4)

Repeal the subsection.

Higher Education Support Act 2003

116 Section 154-75

Repeal the section.

Income Tax Act 1986

117 Subsection 5(2)

Omit "128N, 128NA, 128NB, 128V, 136A or 159C", substitute "128NA, 128NB or 128V".

Income Tax Assessment Act 1936

118 Subsection 6(1) (definition of *apportionable deductions*)

Repeal the definition, substitute:

> ***apportionable deductions*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

119 Subsection 6(1) (definition of *assessable income*)

Repeal the definition, substitute:

> ***assessable income*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

120 Subsection 6(1)

Insert:

> ***base interest rate*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

121 Subsection 6(1) (definition of *business*)

Repeal the definition, substitute:

> ***business*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

122 Subsection 6(1) (definition of *child*)

Repeal the definition, substitute:

> ***child*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

123 Subsection 6(1) (definition of *Commonwealth education or training payment*)

Repeal the definition, substitute:

> ***Commonwealth education or training payment*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

124 Subsection 6(1) (definition of *company*)

Repeal the definition, substitute:

company has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

125 Subsection 6(1) (definition of *foreign superannuation fund*)

Omit ", subject to subsection (7A),".

126 Subsection 6(1) (at the end of paragraph (b) of the definition of *foreign superannuation fund*)

Add "(even if pensions are paid out of the fund to the latter persons)".

127 Subsection 6(1) (definition of *friendly society*)

Repeal the definition, substitute:

friendly society has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

128 Subsection 6(1)

Insert:

fringe benefit has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

129 Subsection 6(1) (definition of *general partner*)

Repeal the definition, substitute:

general partner has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

130 Subsection 6(1) (definition of *income from personal exertion* or *income derived from personal exertion*)

Omit "section 159GD or".

131 Subsection 6(1) (at the end of the definition of *income tax* or *tax*)

Add ", but, except in section 260, does not include mining withholding tax or withholding tax".

132 Subsection 6(1) (definition of *minerals*)

Repeal the definition, substitute:

minerals has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

133 Subsection 6(1) (definition of *natural resource*)

Repeal the definition, substitute:

natural resource has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

134 Subsection 6(1) (definition of *paid-up share capital*)

Repeal the definition, substitute:

paid-up share capital of a company means the amount standing to the credit of the company's share capital account reduced by the amount (if any) that represents amounts unpaid on shares.

135 Subsection 6(1)

Insert:

primary production business has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

136 Subsection 6(1) (definition of *relative*)

Repeal the definition, substitute:

relative has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

137 Subsection 6(1)

Insert:

share in a company has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

138 Subsection 6(1) (definition of *spouse*)

Repeal the definition, substitute:

spouse has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

139 Subsection 6(1)

Insert:

work and income support related withholding payments and benefits means:

(a) payments from which an amount must be withheld under a provision of Subdivision 12-B (other than section 12-55), 12-C or 12-D in Schedule 1 to the *Taxation Administration Act 1953* (even if the amount is not withheld); and

(b) amounts included in a person's assessable income under section 86-15 of the *Income Tax Assessment Act 1997* in respect of which an amount must be paid under Division 13 in Schedule 1 to the *Taxation Administration Act 1953* (even if the amount is not paid); and

(c) non-cash benefits in relation to which the provider of the benefit must pay an amount to the Commissioner under Division 14 in Schedule 1 to the *Taxation Administration Act 1953* (even if the amount is not paid).

Note: The payments covered by paragraph (a) are: payments to employees and company directors, payments to office holders, return to work payments, payments under labour hire arrangements, payments of pensions and annuities, eligible termination payments, payments for unused leave, benefit payments, compensation payments and payments specified by regulations.

140 Subsection 6(1) (definition of *year of income*)

Repeal the definition, substitute:

year of income means an income year as defined in subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

141 At the end of subparagraphs 6AA(1)(a)(i) and (ii)

Add "or".

142 Subparagraph 6AA(1)(a)(iii)

Omit "or".

143 Subparagraph 6AA(1)(a)(iv)

Repeal the subparagraph.

144 At the end of subparagraphs 6AA(1)(b)(i) and (ii)

Add "or".

145 Subparagraph 6AA(1)(b)(iii)

Omit "or".

146 Subparagraph 6AA(1)(b)(iv)

Repeal the subparagraph.

147 Paragraph 6BA(2)(b)

Omit "46 or".

148 Subparagraph 6BA(3)(b)(i)

Omit "Part IIIA", substitute "Part 3-1 or 3-3 of the *Income Tax Assessment Act 1997*".

149 Subsection 6C(2)

Omit "paragraph 23(r) of this Act and".

150 Subsection 6CA(3)

Omit "paragraph 23(r) and".

151 Subsection 6F(5) (definition of *associate*)

Omit "subsection 26AAB(14)", substitute "section 318".

152 Subsection 16(4AA) (definition of *employee*)

Repeal the definition, substitute:

> ***employee*** means a person who receives, or is entitled to receive, work and income support related withholding payments and benefits.

153 Subsection 16(4AA) (definition of *employer*)

Repeal the definition, substitute:

> ***employer*** means a person who pays or is liable to pay work and income support related withholding payments and benefits, and includes:
>
> (a) in the case of an unincorporate body of persons other than a partnership—the manager or other principal officer of that body; and
>
> (b) in the case of a partnership—each partner; and
>
> (c) an Australian government agency as defined in subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

154 Subsection 18(1)

Omit "(1)".

155 Subsection 18(2)

Repeal the subsection.

156 Subsection 23AB(1) (definition of *tax deductions unapplied*)

Repeal the definition, substitute:

> ***tax deductions unapplied***, in relation to a deceased person, means any amounts withheld under Part 2-5 in Schedule 1 to the *Taxation Administration Act 1953* from work and income support related withholding payments and benefits derived by the deceased person in respect of United Nations service:
>
> (a) that have not been credited in payment of income tax; and
>
> (b) in respect of which a payment has not been made by the Commissioner.

157 Subsection 23AB(6)

Omit "paragraph 26(e)", substitute "section 15-2 of the *Income Tax Assessment Act 1997*".

158 Subsection 23AB(8A)

Omit "23ADA or".

159 Subsection 23H(4A) (definition of *deductible moneys*)

Omit "section 124ZAF or 124ZAFA", substitute "former section 124ZAF or under section 124ZAFA".

160 Subsection 23H(4A) (definition of *deductible 120% moneys*)

Omit "section 124ZAF or 124ZAFA", substitute "former section 124ZAF or under section 124ZAFA".

161 Subsection 23H(4A) (definition of *deductible 133% moneys*)

Omit "section 124ZAF or 124ZAFA", substitute "former section 124ZAF or under section 124ZAFA".

162 Subsection 23H(4A) (definition of *deductible 150% moneys*)

Omit "section 124ZAF or 124ZAFA", substitute "former section 124ZAF or under section 124ZAFA".

163 Paragraph 23H(5)(a)

Omit "section 124ZAF or 124ZAFA", substitute "former section 124ZAF or under section 124ZAFA".

164 Subsection 23H(5)

Omit "the taxpayer under section 124ZAF or 124ZAFA", substitute "the taxpayer under former section 124ZAF or section 124ZAFA".

165 Subsection 23H(6)

Omit "124ZAF or".

166 Subsection 23L(1)

Omit "within the meaning of the *Fringe Benefits Tax Assessment Act 1986*".

167 Subsection 23L(1A)

Omit "paragraph 26(eaa) of this Act", substitute "section 15-75 of the *Income Tax Assessment Act 1997*".

168 Subsection 23L(1A)

Omit "within the meaning of that Act".

169 Section 24AT (paragraph (c) of the definition of *excluded STB*)

Omit "(within the meaning of paragraph 23(e))", substitute "to which any of paragraphs 50-55(a) to (c) of the *Income Tax Assessment Act 1997* applies".

170 Section 24AT (paragraph (d) of the definition of *excluded STB*)

Omit "(within the meaning of paragraph 23(ea))", substitute "to which any of paragraphs 50-55(a) to (c) of the *Income Tax Assessment Act 1997* applies".

171 Subsection 24B(1) (definition of *prescribed Territory*)

Repeal the definition, substitute:

prescribed Territory means Norfolk Island.

172 Subsection 24L(5)

Repeal the subsection, substitute:

(5) In subsections (1), (3), (4), (4A), (4B) and (4C), ***Australia***, ***resident*** and ***non-resident*** have the meanings that those expressions would have if subsection 7A(2) did not refer to Norfolk Island.

173 Paragraph 24P(1)(b)

Repeal the paragraph, substitute:

(b) if there had been a disposal (within the meaning of former Part IIIA) of the asset by the taxpayer on 1 July 1991, that Part would have applied in respect of that disposal (ignoring former section 160ZZF and former Divisions 5A, 7A and 17 of that Part);

174 Subparagraph 24P(1)(c)(i)

Omit "the asset had been disposed of", substitute "there had been a disposal (within the meaning of former Part IIIA) of the asset".

175 Subparagraph 24P(1)(c)(iii)

Before "section 24BB", insert "former".

176 Subparagraph 24P(1)(c)(iv)

Before "section", insert "former".

177 Subsection 24P(5)

Before "section 160ZZU", insert "former".

178 Subparagraph 25A(12)(a)(ii)

Omit "or articles within the meaning of section 54", substitute "within the meaning of section 45-40 of the *Income Tax Assessment Act 1997*".

179 Subsection 26AB(1A) (note)

Omit "Part IIIA of this Act (about CGT) deals", substitute "former Part IIIA of this Act (about CGT) dealt".

180 Paragraph 26AB(5)(b)

Omit "mining lease as defined in subsection 88B(7)", substitute "lease of land granted under a law of a State or Territory relating to mining".

181 Paragraph 26AB(5)(c)

Omit "is, for the purposes of section 88B", substitute "was, for the purposes of former section 88B".

182 Paragraph 26AB(5)(d)

Repeal the paragraph, substitute:

(d) a premium received in connexion with the assignment from the Commonwealth or a State of a lease:

(i) granted in perpetuity or for a term not less than 99 years; or

(ii) with a right of purchase; or

(iii) effecting improvements to be used for residential purposes only.

183 Paragraph 26AD(12)(b)

Before "section", insert "former".

184 Paragraph 26AD(13)(b)

Before "section", insert "former".

185 Paragraph 26AG(1)(c)

Omit "section 124ZAF or 124ZAFA", substitute "former section 124ZAF or under section 124ZAFA".

186 Paragraph 26AG(1)(d)

After "income", insert "from sources in or out of Australia".

187 Paragraph 26AG(1)(e)

After "taxpayer", insert "from sources in or out of Australia".

188 Subsection 26AG(8)

Repeal the subsection, substitute:

(8) If:

(a) a non-resident taxpayer derives, from sources outside Australia, income in respect of a film; and

(b) but for this subsection, subsection (2) would include the amount in the taxpayer's assessable income of a year of income;

that subsection does not include in the taxpayer's assessable income so much of the amount as:

(c) is attributable to the exhibition of the film in the country from sources in which the income was derived; and

(d) is not exempt from income tax in the country from sources in which the income was derived.

189 Subparagraph 26AJ(1)(g)(i)

Omit "within the meaning of the *Fringe Benefits Tax Assessment Act 1986*".

190 Subparagraph 26AJ(1)(g)(ii)

Omit "within the meaning of that Act".

191 Subsection 26AJ(11) (definition of *associate*)

Omit "26AAB", substitute "318".

192 Subsection 27A(1) (paragraph (a) of the definition of *CGT exempt component*)

Omit "is covered by subsection 160ZZPZE(4)", substitute "was covered by former subsection 160ZZPZE(4)".

193 Subsection 27A(1) (paragraph (b) of the definition of *CGT exempt component*)

Omit "is taken by subsection 160ZZPZJ(4)", substitute "was taken by former subsection 160ZZPZJ(4)".

194 Subsection 27A(1) (paragraph (jaa) of the definition of *eligible termination payment*)

Omit "is taken to be an ETP by", substitute "was taken to be an ETP by former".

195 Subsection 27A(14)

Before "section 24BA", insert "former".

196 Subsection 27A(14A)

Before "section 24BB", insert "former".

197 Paragraphs 36AAA(1)(a), (1AA)(a), (1A)(a), (2A)(a) and(4A)(a)

Omit "business of primary production", substitute "primary production business".

198 Subparagraphs 36AAA(5)(b)(iii) and (6)(b)(ii)

Omit "business of primary production", substitute "primary production business".

199 Paragraph 36AAA(8)(a)

Omit "business of primary production", substitute "primary production business".

200 Subparagraph 36AAA(9)(b)(iii)

Omit "business of primary production", substitute "primary production business".

201 Subsection 36AAA(12)

Omit "business of primary production" (wherever occurring), substitute "primary production business".

202 Paragraphs 36AAA(13)(c), (e) and (f) and 14(d)

Omit "business of primary production", substitute "primary production business".

203 Subsection 36AAA(15)

Omit "business of primary production", substitute "primary production business".

204 Subsection 36AAA(17)

Before "paragraph 36(8)(b)", insert "former".

205 Subsection 45(2)

Omit "an unfranked dividend", substitute "a dividend that is unfrankable (within the meaning of subsection 995-1(1) of the *Income Tax Assessment Act 1997*) and".

206 Subsection 45(2)

Omit "46 or".

207 Subsection 45(3)

Omit "160AQF or 160AQFA", substitute "202-5 or 208-60 of the *Income Tax Assessment Act 1997*".

208 Paragraph 45A(4)(e)

Omit "be entitled to a rebate under", substitute "have been entitled to a rebate under former".

209 Subsection 45C(1)

Omit "46 or".

210 Paragraph 45C(5)(b)

Before "section", insert "former".

Note: The heading to subsection 45C(5) is altered by inserting "*former*" before "*section*".

211 Subsection 45C(5)

Omit "arising under section 160AQCB, 160AQCNA or 160AQCNB", substitute "arising under that former section".

212 Subsection 46A(5B)

Before "Division", insert "former".

213 Paragraph 46FA(1)(c)

Repeal the paragraph, substitute:

(c) ignoring the amendments made by Schedule 1 to the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006*, but for subsection 46AB(1) or 46AC(2) or subparagraph 46F(2)(a)(i) of this Act as in force just before the commencement of those amendments, the resident company would have been entitled to a rebate under section 46 of this Act as so in force in respect of the unfranked amount of the original dividend; and

214 Paragraph 46FB(4)(c)

Repeal the paragraph, substitute:

(c) ignoring the amendments made by Schedule 1 to the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006*, but for subsection 46AB(1) or 46AC(2) or subparagraph 46F(2)(a)(i) of this Act as in force just before the commencement of those amendments, the company would have been entitled to a rebate under section 46 of this Act as so in force in respect of the unfranked amount of the dividend.

215 Subsection 51AD(1) (definition of *associate*)

Omit "26AAB", substitute "318".

216 Subsection 51AD(17)

Omit "section 67 of this Act or".

217 Paragraph 51AD(17)(a)

Omit "subsection 67(2) of this Act or".

218 Subsection 51AD(18)

Omit "section 68 of this Act or".

219 Subsection 51AF(2) (definition of *employee*)

Repeal the definition, substitute:

employee means a person who receives, or is entitled to receive, work and income support related withholding payments and benefits.

220 Subsection 51AF(2) (definition of *employer*)

Repeal the definition, substitute:

employer means a person who pays or is liable to pay work and income support related withholding payments and benefits, and includes:

(a) in the case of an unincorporate body of persons other than a partnership—the manager or other principal officer of that body; and

(b) in the case of a partnership—each partner; and

(c) an Australian government agency as defined in subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

221 Paragraph 51AH(1)(c)

Omit "paragraph 26(eaa)", substitute "section 15-75 of the *Income Tax Assessment Act 1997*".

222 Subsection 51AH(2)

After "Expressions", insert "(other than "fringe benefit")".

223 Subsection 51AJ(2)

Omit "(other than "recipients contribution")", substitute "(other than "recipients contribution" and "fringe benefit")".

224 Subsection 63(1A)

Omit "(1A)".

225 Paragraph 63E(3)(c)

Omit "subsection 63(3) of this Act or".

226 Paragraph 63F(1)(b)

Omit "or under section 51 or 63 of this Act", substitute ", under former section 51 of this Act or under section 63".

227 Subparagraph 63G(a)(i)

Omit "under section 51 or 63", substitute "under former section 51 of this Act, under section 63 of this Act or under section 8-1 or 25-35 of the *Income Tax Assessment Act 1997*".

228 Paragraph 65(1B)(a)

Omit "and Division 4 of Part VI".

229 Subsection 73A(4)

Omit "consideration received or receivable in respect of the disposal, loss or destruction", substitute "termination value of the building or part".

230 Subsection 73A(4)

Omit "disposal, loss or destruction occurs", substitute "disposal or destruction occurs".

231 Subsection 73A(4)

Omit "consideration relates to the disposal, loss or destruction", substitute "termination value relates to the disposal or destruction".

232 Subsection 73A(4)

Omit "of the consideration", substitute "of the termination value".

233 Subsection 73A(6)

Insert:

termination value has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

234 Subsection 73B(1AA)

Omit ", 73CA and 73D", substitute "and 73CA".

235 Subsection 73B(1) (paragraph (d) of the definition of *aggregate research and development amount*)

Omit "Division 10D of this Part, or".

236 Subsection 73B(1) (definition of *associate*)

Omit "26AAB", substitute "318".

237 Paragraph 73B(2C)(c)

Omit ", petroleum".

238 Paragraphs 73B(3A)(c) and (d)

Omit ", 73CA and 73D", substitute "and 73CA".

239 Paragraph 73B(3A)(da)

Omit "subsections 73C(2A) and 73D(2A) do", substitute "subsection 73CA(2A) does".

240 Paragraph 73B(3A)(f)

Omit ", 73CA and 73D", substitute "and 73CA".

241 Subsection 73B(4)

Repeal the subsection, substitute:

(4) Subject to subsection (5), if, during a year of income:

(a) an eligible company commences to use a unit of plant exclusively for the purpose of the carrying on by or on behalf of the company of research and development activities; and

(b) the eligible company has incurred an amount of plant expenditure in respect of the unit;

that amount is, in relation to the unit, taken to be an amount of qualifying plant expenditure in relation to the company in relation to the year of income and each of the 2 succeeding years of income.

242 Subsection 73B(5)

Repeal the subsection, substitute:

(5) If:

(a) apart from this subsection, there would be an amount of qualifying plant expenditure in relation to a unit of plant owned by an eligible company in relation to a year of income; and

(b) at any time during the year of income, the company ceases to use that unit of plant exclusively for the purpose of the carrying on by or on behalf of the company of research and development activities;

there is no amount of qualifying plant expenditure in relation to that unit of plant in relation to the year of income or any succeeding year of income.

243 Subsection 73B(5A)

Repeal the subsection, substitute:

(5A) This section does not apply to expenditure incurred by an eligible company in the acquisition or construction of a building or of an extension, alteration or improvement to a building.

244 Subsection 73B(17A)

Omit ", (15) or (17)", substitute "or (15)".

245 Subsection 73B(20)

Omit ", (22), (28) and (30)", substitute "and (22)".

246 Paragraphs 73B(23)(d), (24)(d) and (24B)(d)

Before "section", insert "former".

247 Paragraph 73B(27)(a)

Before "subsection", insert "former".

248 Paragraph 73B(27)(b)

Repeal the paragraph, substitute:

(b) the company sells or otherwise disposes of the building, extension, alteration or improvement more than 5 years after the day on which it began to use the building, extension, alteration or improvement exclusively for the purpose of the carrying on by or on behalf of the company of research and development activities;

249 Paragraph 73B(27)(c)

Before "Division 10D" (wherever occurring), insert "former".

250 Paragraph 73B(31)(a)

Omit ", a building or an extension, alteration or improvement to a building".

251 Paragraph 73CA(2)(a)

Omit "and section 73D".

252 Paragraph 73E(1)(c)

Before "section", insert "the former".

253 Subsection 73E(10)

Omit ", 73CB or 73D", substitute "or 73CB".

254 Subsection 82(2)

Omit "(2)".

255 Subsection 82(2)

Omit "or has been allowed or is allowable as a deduction in assessments under the previous Act".

256 Subsection 82AAC(3) (definition of *associate*)

Omit "26AAB", substitute "318".

257 Subparagraph 82AAD(3)(a)(ii)

Omit "subsection 26AAB(14)", substitute "section 318".

258 Subsection 82AAF(4) (definition of *associate*)

Omit "26AAB", substitute "318".

259 Subsection 82AAQ(1)

Omit "or the previous Act".

260 Subsection 82KH(1) (paragraph (o) of the definition of *relevant expenditure*)

Omit "or section 64 of this Act".

261 Paragraph 82KH(1AB)(b)

Before "section", insert "former".

262 Paragraph 82KZM(1)(c)

Omit "section 51,", substitute "former section 51 or section".

263 Paragraphs 82KZN(c) and 82KZO(c)

Before "section 51", insert "former".

264 Subsection 82P(2)

Omit "subparagraphs 82S(1)(d)(ii) and", substitute "subparagraph".

265 Subsections 82R(1) and 82T(1)

Omit "sections 82S and", substitute "section".

266 Subsection 95(1) (definition of *net income*)

Omit "Division 16C or".

267 Subparagraph 97(3)(c)(i)

Omit "section 23 of this Act or".

268 Paragraph 97A(1)(b)

Omit "the owner of a current IED scheme deposit or".

269 Paragraph 97A(1)(c)

Omit "an eligible primary producer or a primary producer, as the case requires,", substitute "a primary producer".

270 Paragraph 97A(1A)(b)

Omit "the owner of a current IED scheme deposit or".

271 Paragraph 97A(1A)(c)

Omit "an eligible primary producer or a primary producer, as the case requires,", substitute "a primary producer".

272 Paragraph 97A(1A)(c)

Omit "business of primary production", substitute "primary production business".

273 Section 102AAB

Insert:

base interest rate for a day has the same meaning as in section 8AAD of the *Taxation Administration Act 1953*.

274 Section 102AAB (definition of *depreciation provision*)

Repeal the definition, substitute:

depreciation provision means:

(a) any provision of Division 40 of the *Income Tax Assessment Act 1997* (other than Subdivision 40-E); or

(b) any provision of Division 43 of that Act.

275 Section 102AAB (paragraphs (a) and (b) of the definition of *weighted statutory interest rate*)

Omit "basic statutory" (wherever occurring), substitute "base".

276 Subsection 102AAE(2)

Omit "section 23 of this Act or".

277 Subsection 102AAK(11)

Omit "(other than section 102AAN)".

278 Paragraph 102AAM(1)(c)

Omit "so much of the distributed amount as is not a rebatable section 99B amount for the purposes of section 102AAN", substitute "the distributed amount".

279 Paragraph 102AAM(5)(b)

Repeal the paragraph, substitute:

(b) at the base interest rate.

280 Paragraph 102AAM(6)(d)

Repeal the paragraph, substitute:

(d) so much of the tax payable in respect of the year of income as is attributable to the aggregate of the principal amounts (ignoring any tax offset under Part 3-6 of the *Income Tax Assessment Act 1997*).

281 Subsection 102AAM(12)

Omit "an instalment taxpayer (as defined in subsection 221AZK(1)) or".

282 Paragraph 102AAM(13A)(a)

Omit "an instalment taxpayer (as defined in subsection 221AZK(1)) or".

283 Paragraph 102AAM(13A)(c) (note)

Omit "and paragraph 221AZS(c)".

284 Subsection 102AAM(14)

Omit "170AA, 172, 174, 204, 205, 206, 208, 209, 214, 215, 216, 254, 255, 258 and 259, and Division 1C of Part VI", substitute "172, 174, 204, 254 and 255".

285 Subsection 102AAW(1)

Omit "38 to 43 (inclusive),".

286 Paragraph 102AAZBA(d)

Omit "subsection 160M(9) or (10) of this Act, or section 104-170 of the *Income Tax Assessment Act 1997* (CGT event I2),", substitute "section 104-170 of the *Income Tax Assessment Act 1997* (CGT event I2)".

287 Paragraph 102AF(1)(a)

Omit "within the meaning of subsection 221A(1)".

288 Subsection 102A(1) (definition of *associate*)

Omit "subsection 26AAB(14)", substitute "section 318".

289 Subsection 102L(2)

Omit "45Z, 46, 46A, 46B, 46C, 46E and 46F", substitute "46A, 46B, and 46E".

290 Paragraphs 102L(2)(a) and (b)

Omit "46 or".

291 Subsection 102L(6)

Omit "or Division 1A of Part VI (other than subsection 221AA(1) or section 221AC)".

292 Subsection 102L(10)

Omit ", section 128B or Division 4 of Part VI (other than subsection 221YK(2))", substitute "or section 128B".

293 Subsection 102L(11)

Omit "128B or Division 4 of Part VI (other than subsection 221YK(2))", substitute "section 128B".

294 Subsection 102T(2)

Omit "45Z, 46, 46A, 46B, 46C, 46E and 46F", substitute "46A, 46B, and 46E".

295 Paragraphs 102T(2)(a) and (b)

Omit "46 or".

296 Subsection 102T(7)

Omit "or Division 1A of Part VI (other than subsection 221AA(1) or section 221AC)".

297 Subsection 102T(11)

Omit "paragraph 23(jb), subsection 44(1), section 128B or Division 4 of Part VI (other than subsection 221YK(2))", substitute "subsection 44(1) or section 128B".

298 Subsection 102T(12)

Omit "in paragraph 23(jb), subsection 44(1), section 128A or 128B or Division 4 of Part VI (other than subsection 221YK(2))", substitute "44(1), or in section 128A or 128B,".

299 Subsection 103A(5A)

Repeal the subsection, substitute:

(5A) The Commissioner may, under subsection (5), form an opinion that it is reasonable that a company should be treated as a public company for the purposes of subsection (1) in relation to a year of income notwithstanding that the forming of such an opinion by the Commissioner would impose on the company a liability to pay a greater amount of income tax than the company would otherwise be liable to pay.

300 Subsection 108(1)

Omit "and Division 4 of Part VI".

301 Subparagraph 108(3)(c)(ii)

Omit "26AAB", substitute "318".

302 Paragraph 109(1)(d)

Omit "and Division 4 of Part VI".

303 Subparagraph 109(2)(b)(ii)

Omit "26AAB", substitute "318".

304 Section 121AS (table item 5, column headed "Event")

Before "Part IIIA" (wherever occurring), insert "former".

Note: The heading to section 121AS is amended by omitting "**Part IIIA**" and substituting "**CGT**".

305 Subsection 121G(10)

Repeal the subsection, substitute:

(10) For the purposes of the application of subsection (8), a reference to a deduction that is allowable in calculating the net income of a partnership does not include a reference to a deduction allowable to the partnership in respect of expenditure taken under sections 70-90 and 70-95 and subsection 70-100(3) of the *Income Tax Assessment Act 1997* to have been incurred in the acquisition of trading stock by the partnership.

306 Subsection 124K(1) (definition of *film*)

Repeal the definition, substitute:

film has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

307 Subsection 124K(1) (definition of *Senior Executive Service office*)

Repeal the definition, substitute:

Senior Executive Service office has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

308 Subsection 124K(1) (subparagraph (a)(iv) of the definition of *unit of industrial property*)

Omit "patent, copyright or design", substitute "copyright".

309 Paragraph 124K(2)(a)

Omit "of the previous Act or".

310 Subparagraph 124K(2)(b)(iv)

Omit "paragraph 124ZAF(1)(c) or", substitute "former paragraph 124ZAF(1)(c) or paragraph".

311 Paragraph 124KA(1)(b)

Omit "section 124ZAF or", substitute "former section 124ZAF or section".

Note: The heading to section 124KA is altered by omitting "**section 124ZAF or 124ZAFA**" and substituting "**former section 124ZAF or section 124ZAFA**".

312 Paragraph 124L(1)(a)

Repeal the paragraph, substitute:

(a) became the owner of the unit by reason of being the first owner of the copyright to which the unit relates and, before the unit came into existence, incurred expenditure of a capital nature directly in relation to producing the work or other subject-matter in which the copyright subsists; or

313 At the end of paragraph 124L(1)(b)

Add "or".

314 Paragraph 124N(2)(a)

Omit "patent or copyright, or the registration of the design,", substitute "copyright".

315 Paragraph 124N(2)(b)

Omit "patent, copyright or design", substitute "copyright".

316 Paragraph 124R(2)(b)

Omit "devising the invention, producing the work or other subject-matter in which the copyright subsists or producing the design, as the case may be,", substitute "producing the work or other subject-matter in which the copyright subsists".

317 Subsection 124S(2)

Omit "patent, copyright or design, as the case may be,", substitute "copyright".

318 Subsections 124V(1), (2) and (3)

Omit "patent, copyright or design", substitute "copyright".

319 Paragraph 124WA(1)(c)

Omit "section 124ZAF or", substitute "former section 124ZAF or section".

Note: The heading to section 124WA is amended by omitting "**section 124ZAF or**" and substituting "**former section 124ZAF or section**".

320 Subsection 124WA(7)

Omit "section 124ZAF or", substitute "former section 124ZAF or section".

321 Section 124Y

Omit "patent, copyright or design", substitute "copyright".

322 Subsection 124ZAA(1) (definition of *feature film*)

Repeal the definition, substitute:

> ***feature film*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

323 Subsection 124ZAA(1) (definition of *film*)

Repeal the definition, substitute:

> ***film*** has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

324 Paragraph 124ZAA(7)(b)

Before "paragraph", insert "former".

325 Paragraph 124ZAA(7)(c)

Omit "paragraph 221ZN(1)(a), being an amount to which subsection 221ZN(4) applies", substitute "former paragraph 221ZN(1)(a), being an amount to which former subsection 221ZN(4) applied".

326 Subsection 124ZAE(2)

Omit "sections 124ZAF and", substitute "section".

327 Paragraph 124ZAO(1)(a)

Omit "124ZAF or".

328 Paragraph 124ZAO(2)(b)

Omit ", but for section 23H,".

329 Section 124ZM

Repeal the section, substitute:

124ZM Treatment distributions to shareholders in PDF

Unfranked part of distribution exempt from income tax

(1) If a company makes a distribution to a shareholder at a time when the company is a PDF, the unfranked part of the distribution is exempt from income tax.

Rest of section deals with franked part

(2) The rest of this section applies to the franked part of the distribution.

Usual case

(3) Subsection (4) applies if the assessable income of a year of income of a taxpayer who or that is:

(a) a company or a natural person (other than a company or natural person in the capacity of a trustee); or

(b) a corporate unit trust in relation to that year of income; or

(c) a public trading trust in relation to that year of income; or

(d) an eligible entity within the meaning of Part IX in relation to that year of income;

would (apart from subsection (4)) include:

(e) the franked part of the distribution; or

(f) any of the franked part of the distribution that flows indirectly to the taxpayer.

This subsection does not apply to cases dealt with in subsections (5) and (6).

(4) Subject to subsection (7), the following is exempt income of the taxpayer:

(a) if paragraph (3)(e) applies—the franked part;

(b) if paragraph (3)(f) applies—so much of the franked part of the distribution as flows indirectly to the taxpayer.

Taxpayers who qualify for venture capital franking tax offset

(5) If a taxpayer (other than a life assurance company) is entitled to a tax offset in relation to the distribution under section 210-170 of the *Income Tax Assessment Act 1997*, then:

(a) so much of the franked part of the distribution as equals the part of the distribution that is franked with a venture capital credit is exempt income of the taxpayer; and

(b) if the franked part exceeds the amount so exempt—the excess is, subject to subsection (7), exempt income of the taxpayer.

(6) If a life assurance company is entitled to a tax offset in relation to the distribution under section 210-170 of the *Income Tax Assessment Act 1997*, then:

(a) so much of the franked part of the distribution as equals the amount worked out using the following formula is exempt income of the life assurance company:

$$\text{Venture capital franked part} \times \frac{\text{Complying superannuation class of taxable income}}{\text{Total income}}$$

where:

complying superannuation class of taxable income is the life assurance company's complying superannuation class of taxable income, within the meaning of subsection 995-1(1) of the *Income Tax Assessment Act 1997*, for the year of income in which the distribution is made.

venture capital franked part is the part of the distribution that is franked with a venture capital credit.

total income is the life assurance company's assessable income for the year of income in which the distribution is made; and

(b) if the franked part exceeds the amount so exempt—the excess is, subject to subsection (7), exempt income of the life assurance company.

No exemption if return prepared on basis that amount assessable

(7) Subsection (4) and paragraphs (5)(b) and (6)(b) do not exempt, and are taken never to have exempted, an amount if the taxpayer's return of income of the year of income is prepared on the basis that the amount is included in the taxpayer's assessable income of that year.

Where partner entitled to deduction for amount flowing indirectly

(8) If:

(a) any of the franked part of the distribution flows indirectly to a taxpayer who is a partner in a partnership; and

(b) apart from this subsection, the amount that flows indirectly would be allowable as a deduction from the taxpayer's assessable income of a year of income; and

(c) the taxpayer is of a kind mentioned in any of paragraphs (3)(a) to (d);

the amount that flows indirectly is not allowable as a deduction from that assessable income.

(9) Subsection (8) does not prevent, and is taken never to have prevented, an amount from being allowable as a deduction if the taxpayer's return of income of the year of income is prepared on the basis that the amount is so allowable.

Where trustee assessed on amount flowing indirectly

(10) If:

(a) any of the franked part of the distribution flows indirectly to the trustee of a trust estate; and

(b) apart from this subsection, the trustee would be liable under section 98, 99 or 99A to be assessed and pay tax on the amount that flows indirectly;

the trustee is not liable under that section to be assessed and to pay tax on the amount that flows indirectly.

(11) Subsection (10) does not prevent, and is taken never to have prevented, the trustee from being liable under that section to be assessed and to pay tax on an amount if the trustee elects to be so liable.

(12) An election must be made in the trustee's return of income of the trust estate for the year of income concerned.

Interpretation

(13) In this section:

flows indirectly has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

part of a distribution that is franked with a venture capital credit has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

330 Paragraph 126(1)(c)

Omit ", 128G, 128GA".

331 Paragraph 128AAA(2)(ba)

Omit "128FA; and", substitute "128FA.".

332 Subsection 128A(1A)

Omit "and 128NA:", substitute ", 128NA and 128NBA:".

333 Subsection 128A(4)

Repeal the subsection, substitute:

(4) In section 260, ***income tax*** or ***tax*** includes withholding tax.

334 Paragraph 128A(1A)(c)

Omit "and 128NA", substitute ", 128NA and 128NBA".

335 Subparagraph 128B(3)(a)(i)

Omit "paragraph 23(jb) of this Act or".

336 Subparagraph 128B(3)(h)(iv)

Omit "specified in section 128E or to which section 128EA, 128F, 128FA, 128G, 128GA or 128GB", substitute "to which section 128EA, 128F, 128FA or 128GB".

337 After paragraph 128B(3)(j)

Insert:

(jb) income that:

(i) is derived by a non-resident that is a foreign superannuation fund; and

(ii) consists of interest, or consists of dividends or non-share dividends paid by a company that is a resident; and

(iii) is exempt from income tax in the country in which the non-resident resides; or

338 Subparagraph 128B(3A)(b)(ii)

Omit "finance", substitute "financing".

339 Subsection 128B(3B)

Insert:

financing arrangement has the meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

340 Paragraph 128B(9C)(c)

Omit "or section 128E".

341 Paragraph 128B(9C)(d)

Omit "subsection 221YS(1) of this Act, or section 18-30 in Schedule 1 to the *Taxation Administration Act 1953*," substitute "section 18-30 in Schedule 1 to the *Taxation Administration Act 1953*".

342 Subsection 128C(1)

Omit "or of such further period as the Commissioner, in special circumstances, allows".

343 Section 128D

After "128B(3)(ga)", insert "or (jb)".

344 Section 128D

Omit ", section 128G, section 128GA".

345 After section 128NB

Insert:

128NBA Credits in respect of amounts assessed under Division 16E of Part III

When section applies

(1) This section applies if:

(a) the amount of any withholding tax that has become payable by a taxpayer on a payment of interest under, or in relation to the transfer of, a qualifying security has been paid; and

(b) there is a net Division 16E amount (see subsection (5)) in relation to the taxpayer in relation to:

(i) if the payment of interest is a payment in relation to the transfer of the qualifying security—the security; or

(ii) if the payment of interest is such a payment by virtue of the application of section 128AC in relation to an attributable agreement payment within the meaning of that section—the attributable agreement payment; or

(iii) in any other case—the payment of interest; and

(c) the amount of the withholding tax payable on the interest exceeds the amount that would have been payable on the interest if the interest were reduced by the net Division 16E amount.

Entitlement to apply for credit

(2) The taxpayer may apply to the Commissioner for a credit of an amount equal to the excess.

Requirements for application

(3) The application must be in the approved form.

Entitlement to credit

(4) If the Commissioner is satisfied as to the matters mentioned in paragraphs (1)(a), (b) and (c), the applicant is entitled to a credit of an amount equal to the excess.

Net Division 16E amount

(5) For the purposes of this section, if:

(a) the sum of all amounts (if any) included in the assessable income of the taxpayer of any years of income in relation to the qualifying security, attributable agreement payment or payment of interest under section 159GQ;

exceeds:

(b) the sum of all amounts (if any) allowable as deductions from the assessable income of the taxpayer of any years of income in relation to the security or the payment, as the case may be, under that section;

there is a net Division 16E amount equal to the excess.

346 Subsection 128U(1) (paragraph (b) of the definition of *minerals*)

After "petroleum", insert "(within the meaning of the *Income Tax Assessment Act 1997*)".

347 Subsections 128U(2) and (3)

Repeal the subsections, substitute:

(2) In section 260, ***income tax*** or ***tax*** includes mining withholding tax.

(3) For the purposes of this Division, a mining payment is taken to include any amount that has been, or purports to have been, withheld from the mining payment for the purposes of section 12-320 in Schedule 1 to the *Taxation Administration Act 1953*.

348 Section 139DE

Omit "and paragraph 26(e)", substitute "of this Act and section 15-2 of the *Income Tax Assessment Act 1997*".

Note: The heading to section 139DE is altered by omitting "**section 21A or paragraph 26(e)**" and substituting "**other provisions**".

349 Subsection 139GA(1)

Repeal the subsection, substitute:

(1) The expression ***employee*** means:

(a) a person who receives, or is entitled to receive, work and income support related withholding payments and benefits; or

(b) a person who is engaged in foreign service.

350 Subsection 139GA(3)

Repeal the subsection, substitute:

(3) The expression ***employer*** means:

(a) in the case of an unincorporate body of persons other than a partnership—the manager or other principal officer of that body; and

(b) in the case of a partnership—each partner; and

(c) an Australian government agency as defined in subsection 995-1(1) of the *Income Tax Assessment Act 1997*; and

(d) a person who is engaged in foreign service.

351 Section 139GE

Repeal the section, substitute:

139GE Meaning of associate

The expression ***associate*** has the same meaning as it would have in section 318 if references in that section to subsection (1) included a reference to subsection (1A) and the following subsection were inserted before subsection (1):

(1A) For the purposes of this Part, if an entity holds (whether directly or indirectly through one or more interposed companies, partnerships or trusts) a share in a company, or a right to acquire a share in a company, the company is an associate of the entity.

352 Section 140C (definition of *associate*)

Omit "26AAB", substitute "318".

353 Section 140C (paragraph (a) of the definition of *payer*)

Before "subsection" (wherever occurring), insert "former".

354 Subsection 140M(6)

Before "subsection 160ZZPZE(4)", insert "former".

355 Paragraph 140N(4)(a)

Before "subsection 160ZZPZE(4)", insert "former".

356 Subsection 140P(3)

Before "subsection 160ZZPZE(4)", insert "former".

357 Section 140ZJA

Before "subsection 160ZZPZE(4)", insert "former".

358 Subparagraph 149A(1)(b)(ii)

Omit "an abnormal income amount as specified in section 158L", substitute "above-average special professional income within the meaning of the *Income Tax Assessment Act 1997*".

359 Subsection 156(1) (definition of *assessable primary production income*)

Omit "business of primary production" (wherever occurring), substitute "primary production business".

360 Subsection 156(6) (definition of *assessable primary production income*)

Omit "business of primary production" (wherever occurring), substitute "primary production business".

361 Subsections 157(2) and (3)

Omit "business of primary production", substitute "primary production business".

362 Subsection 159GE(1) (definition of *associate*)

Repeal the definition, substitute:

associate means, in relation to a person other than an exempt public body, any person who is an associate, within the meaning of section 318, in relation to the person or, in relation to an exempt public body:

(a) a partner of the exempt public body or a partnership in which the exempt public body is a partner; or

(b) if a partner of the exempt public body is a natural person otherwise than in the capacity of trustee—the spouse or a child of that partner; or

(c) a trustee of a trust where the exempt public body, or another entity that is an associate of the exempt public body because of paragraph (a), (b) or (d), benefits under the trust; or

(d) a company where:

(i) the company is sufficiently influenced by:

(A) the exempt public body; or

(B) another entity that is an associate of the exempt public body because of paragraph (a), (b) or (c); or

(C) another company that is an associate of the exempt public body because of another application of this paragraph; or

(D) 2 or more entities covered by the preceding sub-subparagraphs; or

(ii) a majority voting interest in the company is held by:

(A) the exempt public body; or

(B) the entities that are associates of the primary entity because of subparagraph (i) of this paragraph and paragraphs (a), (b) and (c); or

(C) the exempt public body and the entities that are associates of the exempt public body because of subparagraph (i) of this paragraph and because of paragraphs (a), (b) and (c).

Subsections 318(6) and (7) apply for the purposes of paragraphs (a) to (d) in the same way as those subsections apply for the purposes of section 318.

363 Subsection 159GE(1) (paragraph (a) of the definition of *capital expenditure deduction*)

Before "Division", insert "the former".

364 Subsection 159GE(1) (paragraph (a) of the definition of *Division 10, 10AA or 10A property*)

Before "Division", insert "the former".

365 Subsection 159GE(1) (paragraph (b) of the definition of *Division 10, 10AA or 10A property*)

Before "paragraph", insert "the former".

366 Subsection 159GE(1) (paragraph (c) of the definition of *Division 10, 10AA or 10A property*)

Before "subsection", insert "the former".

367 Subsection 159GE(1) (definition of *Division 10AAA property*)

Before "Division 10AAA of this Part", insert "the former".

368 Subsection 159GE(1) (definition of *Division 10C or 10D property*)

Before "Division 10C or 10D or for which", insert "the former".

369 Subsection 159GE(1) (paragraph (a) of the definition of *eligible amount*)

Repeal the paragraph, substitute:

(a) where the item is an item of eligible depreciation property—the amount that:

(i) was the cost of the item of property within the meaning of Division 40, or the former Division 42, of the *Income Tax Assessment Act 1997* to the taxpayer who holds it; or

(ii) would have been the cost of the item of property to the taxpayer for the purposes of that Division if that Division had applied in relation to the item of property; and

370 Subsection 159GE(1) (paragraph (a) of the definition of *eligible depreciation property*)

Before "section", insert " the former".

371 Paragraphs 159GF(3)(a) to (e)

Before "Division", insert "the former".

372 Subsection 159GF(4)

Before "Division 10AAA of this Part", insert "the former".

373 Subsection 159GF(5)

Before "Division 10C or 10D of this Part", insert "the former".

374 Sub-subparagraph 159GJ(1)(c)(iii)(C)

Before "paragraph 56(1)(a)", insert "the former".

375 Sub-subparagraph 159GJ(1)(c)(iii)(C)

Omit "Division 3 of this Part", substitute "the former section 62 of this Act".

376 Subparagraph 159GJ(2)(a)(iii)

Omit "or" (last occurring).

377 Subparagraph 159GJ(2)(c)(iii)

Omit "or" (last occurring).

378 Paragraph 159GJ(3)(a)

Repeal the paragraph, substitute:

(a) no deduction is allowable to any taxpayer under section 40-830 of the *Income Tax Assessment Act 1997* for a project amount that is transport capital expenditure within the meaning of that Act in relation to any amount of expenditure (not being expenditure incurred after the application period) by reason of which the item is Division 10AAA property for any year of income in which the whole or a part of the application period occurs; and

379 Paragraph 159GJ(3)(c)

Repeal the paragraph, substitute:

(c) for the purposes of the application of section 40-830 of the *Income Tax Assessment Act 1997*, for a project amount that is transport capital expenditure within the meaning of that Act, in relation to an amount of expenditure (not being expenditure incurred after the application period) by reason of which the item is Division 10AAA property for any year of income after the year of income in which this Division ceases to apply—it is taken to be a requirement of that section that the deduction allowable under that section in respect of the amount of expenditure does not exceed the residual amount in relation to the amount of expenditure as worked out in accordance with paragraph (b).

380 Paragraph 159GJ(4)(a)

Omit "under Division 10C or 10D of this Part, or".

381 Subparagraph 159GJ(4)(b)(i)

Omit "Division 10C or 10D, of this Part, or under Division 43 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "Division 43 of the *Income Tax Assessment Act 1997*".

382 Subparagraph 159GJ(4)(b)(ii)

Omit "Division 10C or 10D of this Part, or under Division 43 of the *Income Tax Assessment Act 1997*," substitute "Division 43 of the *Income Tax Assessment Act 1997*".

383 At the end of sub-subparagraph 159GJ(4)(b)(iii)(A)

Add "and".

384 Sub-subparagraph 159GJ(4)(b)(iii)(C)

Omit "Division 10C or 10D of this Part, or under Division 43 of the *Income Tax Assessment Act 1997*, as appropriate,", substitute "Division 43 of the *Income Tax Assessment Act 1997*".

385 Paragraph 159GJ(4)(d)

Omit "Division 10C or 10D of this Part, or of Division 43 of the *Income Tax Assessment Act 1997*," (wherever occurring), substitute "Division 43 of the *Income Tax Assessment Act 1997*".

386 Paragraphs 159GJ(5)(a) and (c)

Omit "the former Division 380, or Division 40,", substitute "Division 40".

387 Paragraph 159GL(2)(a)

Before "Division 10C or 10D of this Part", insert "the former".

388 Paragraph 159GM(b)

Repeal the paragraph, substitute:

(b) the expenditure by reason of which the item of property is eligible capital expenditure property is the amount that:

(i) was the cost of the item of property to the taxpayer who incurred the expenditure for the purpose of the former Subdivision 42-B, or Subdivision 40-C, of the *Income Tax Assessment Act 1997*; or

(ii) would have been the cost to the taxpayer for the purpose of that Subdivision if it applied in relation to the item of property;

389 Subsection 159GZZZC(1) (definition of *associate*)

Repeal the definition, substitute:

associate has the same meaning as in section 318.

390 Subsection 159GZZZZH(4)

Omit "205, 206, 208, 209, 214, 215, 216, 254, 255, 258 and 259", substitute "254 and 255 and former sections 215 and 216".

391 Subsections 159HA(1) and (6A)

Omit ", 159K".

392 Subsection 159HA(7) (at the end of paragraph (a) of the definition of *indexable amount*)

Add "or".

393 Subsection 159J(6) (paragraph (aa) of the definition of *separate net income*)

Omit "Part IIIA of this Act or".

394 Subsection 159ZR(1) (definition of *associate*)

Omit "26AAB", substitute "318".

395 Subsection 159ZR(1) (at the end of paragraph (a) of the definition of *normal taxable income*)

Add "and".

396 Subsection 159ZR(1) (paragraph (b) of the definition of *normal taxable income*)

Repeal the paragraph, substitute:

(b) the taxable income were reduced by any above-average special professional income included in the taxable income under section 405-15 of the *Income Tax Assessment Act 1997*; and

397 Subsection 159ZR(1) (paragraph (c) of the definition of *normal taxable income*)

Omit "section 160ZO of this Act or".

398 Subsection 160AF(8) (definition of *average rate of Australian tax*)

Repeal the definition, substitute:

average rate of Australian tax, in relation to a taxpayer, means an amount per dollar worked out by dividing:

(a) the amount of income tax that would be assessed under this Act in respect of the taxpayer's taxable income of the year of income if the taxpayer was not entitled to:

(i) any rebate of tax (other than a rebate under subsection 23AB(7), section 79A or 79B or Subdivision A of Division 17 of Part III, or under an Act imposing income tax for the year of tax); or

(ii) any credit against the taxpayer's liability for tax;

by:

(b) a number equal to the number of whole dollars in that taxable income.

399 Subsection 160AFD(9) (subparagraph (b)(ii) of the definition of *assessable foreign income*)

Omit "Part IIIA of this Act or".

400 Paragraphs 160AGA(1)(a) and (b)

Repeal the paragraphs, substitute:

(a) a non-resident taxpayer derives an amount from sources outside Australia; and

(b) the amount or a part of the amount (which amount or part is the ***eligible amount***) is included in the taxpayer's assessable income of a year of income under subsection 26AG(2); and

401 Paragraph 160AGA(3)(b)

Repeal the paragraph, substitute:

(b) the amount of the Australian tax paid in respect of the eligible amount;

402 Paragraph 160ZZZJ(1)(b)

Omit "either section 221YL of this Act or".

403 Subsection 160ZZZJ(2)

Omit "section 221YL of this Act or Subdivision 12-F in Schedule 1 to the *Taxation Administration Act 1953* (as the case may be)", substitute "Subdivision 12-F in Schedule 1 to the *Taxation Administration Act 1953*".

404 Subsection 163A(8)

Omit "205, 206, 208, 209, 214, 215, 216, 254, 255, 258 and 259", substitute "254 and 255 and former sections 215 and 216".

405 Subsection 163A(9) (definition of *instalment taxpayer*)

Before "Division", insert "former".

406 Subsection 163A(9) (definition of *relevant entity*)

Before "Division", insert "former".

407 Subsection 166A(1)

Before "Division 1B", insert "former".

408 Subsection 166A(1)

Omit "applies", substitute "applied".

409 Paragraph 166A(2)(aa)

Before "Division 1C", insert "former".

410 Paragraph 166A(2)(aa)

Omit "applies" (wherever occurring), substitute "applied".

411 Subsection 170(9D)

Omit "Part IIIA of this Act or".

412 Subsection 170(10A)

Omit "73D,".

413 Subsection 177B(2)

Omit "Division 16C of Part III or the operation of".

414 Subparagraph 177C(2)(a)(i)

Omit "other than section 160ZP or 160ZZO".

415 Subsection 202BD(1)

Omit ", or eligible paying authority in relation to, the applicant, the Commissioner may give to the payer or eligible paying authority", substitute "the applicant, the Commissioner may give to the payer".

416 Subsection 202BD(5)

Omit "or eligible paying authority".

417 Paragraph 202D(8)(b)

Omit "and Division 3B of Part VI of this Act".

418 Subsection 202DDB(1)

Omit "of Division 3B of Part VI of this Act, and for the purposes of".

419 Paragraph 202EE(1)(c)

Omit "make a deduction under subsection 221YL, or withhold an amount under Subdivision 12-F in Schedule 1 to the *Taxation Administration Act 1953*,", substitute "withhold an amount under Subdivision 12-F in Schedule 1 to the *Taxation Administration Act 1953*".

420 Paragraph 202EE(1)(d)

Omit "make such a deduction, or withhold such an amount,", substitute "withhold such an amount".

421 Subsection 222AFA(5)

Omit "Sections 220AAZA, 221YHZJ and 221YR of this Act, and Part 4-15 in Schedule 1 to the *Taxation Administration Act 1953*, provide", substitute "Part 4-15 in Schedule 1 to the *Taxation Administration Act 1953* provides".

422 Subsection 222AFB(1) (definition of *person*)

Repeal the definition, substitute:

> ***person*** means an entity within the meaning of the *Income Tax Assessment Act 1997* or a government body.

423 Subsection 222AFB(1) (paragraph (a) of the definition of *remittance provision*)

Before "Division", insert "former".

424 Subsection 222AFB(1) (paragraph (a) of the definition of *remittance provision*)

Before "sections", insert "former".

425 Subsection 222AFB(1) (paragraph (c) of the definition of *remittance provision*)

Before "Division", insert "former".

426 Subsection 222AFB(1) (paragraph (c) of the definition of *remittance provision*)

Before "subsections", insert "former".

427 Subsection 222AFB(1) (paragraph (d) of the definition of *remittance provision*)

Before "Division", insert "former".

428 Subsection 222AFB(1) (paragraph (d) of the definition of *remittance provision*)

Before "subsection", insert "former".

429 Subsection 222ANA(1)

Omit "1AAA, 3B, 4 or".

430 Subsection 222ANA(4)

Omit "Sections 220AAZA, 221YHZJ and 221YR of this Act, and Part 4-15 in Schedule 1 to the *Taxation Administration Act 1953*, provide", substitute "Part 4-15 in Schedule 1 to the *Taxation Administration Act 1953* provides".

431 Subsection 251R(7)

Omit ", section 102AAN, Division 17 of Part III and sections 160AQU, 160AQX, 160AQY and 160AQZ", substitute "and Division 17 of Part III".

432 Subsection 254(2)

Omit " section 170AA, subsection 204(3), subsection 221AZMAA(1), subsection 221AZP(1), subsection 221YD(3) or section 221YDB, additional tax under Part VII", substitute "former section 170AA, subsection 204(3), former subsection 221AZMAA(1), former subsection 221AZP(1), former subsection 221YD(3) or former section 221YDB, additional tax under former Part VII".

433 Subsection 255(2A)

Omit "by way of a natural resource payment within the meaning of Division 3B of Part VI of this Act, or section 12-325 in Schedule 1 to the *Taxation Administration Act 1953* (as the case requires),", substitute "from which an amount must be withheld under section 12-325 in Schedule 1 to the *Taxation Administration Act 1953* (about natural resource payments)".

434 Subsection 255(4)

Omit "section 170AA, subsection 204(3), subsection 221AZMAA(1), subsection 221AZP(1), subsection 221YD(3) or section 221YDB, additional tax under Part VII", substitute "former section 170AA, subsection 204(3), subsection 221AZMAA(1), former subsection 221AZP(1), former subsection 221YD(3) or former section 221YDB, additional tax under former Part VII".

435 Subsection 262A(4AA)

Omit "section 59AA, 122R, 123F, 124AO or 124W", substitute "former section 59AA, 122R, 123F or 124AO or under section 124W".

436 Paragraph 262A(4ACA)(a)

Before "subsection", insert "former".

437 Subsection 262A(4AC)

Omit "subsection 58(1), 73AA(1), 73E(1), 73F(1), 73G(1), 122JAA(1), 122JG(1), 123BBA(1), 123BF(1), 124AMAA(1), 124GA(1), 124JD(1) or 124PA(1)", substitute "former subsection 58(1), subsection 73AA(1), 73E(1), 73F(1) or 73G(1), former subsection 122JAA(1), 122JG(1), 123BBA(1), 123BF(1), 124AMAA(1), 124GA(1) or 124JD(1) or subsection 124PA(1)".

438 Paragraph 262A(4AC)(a)

Omit "section 58, 73AA, 73E, 73F, 73G, 122JAA, 122JG, 123BBA, 123BF, 124AMAA, 124GA, 124JD or 124PA", substitute "former section 58, section 73AA, 73E, 73F or 73G, former section 122JAA, 122JG, 123BBA, 123BF, 124AMAA, 124GA or 124JD or section 124PA".

439 Subsection 262A(4AE)

Omit "makes an election under paragraph 54A(1)(a)", substitute "made an election under former paragraph 54A(1)(a)".

440 Paragraph 262A(4AF)(a)

Before "Division", insert "former".

441 Subparagraph 262A(4AF)(b)(i)

Omit "or are allowable to the transferor under", substitute "to the transferor under former".

442 Subparagraph 262A(4AF)(b)(ii)

Omit "or are allowable to any of the prior successive owners or lessees under", substitute "to any of the prior successive owners or lessees under former".

443 Paragraph 262A(4AF)(c)

Omit "Division 10C of Part III will apply", substitute "former Division 10C of Part III applies".

444 Paragraph 262A(4AH)(a)

Before "Division", insert "former".

445 Subparagraph 262A(4AH)(b)(i)

Omit "or are allowable to the transferor under", substitute "to the transferor under former".

446 Subparagraph 262A(4AH)(b)(ii)

Omit "or are allowable to any of the prior successive owners or lessees under", substitute "to any of the prior successive owners or lessees under former".

447 Paragraph 262A(4AH)(c)

Omit "Division 10D of Part III will apply", substitute "former Division 10D of Part III applies".

448 Paragraph 262A(4AJA)(b)

Omit "or is allowable under", substitute "under former".

449 Subsection 265A(5) (definition of *tax deductions unapplied*)

Repeal the definition, substitute:

tax deductions unapplied, in relation to a deceased person, means the total of any amounts withheld under paragraph 12-45(1)(c) in Schedule 1 to the *Taxation Administration Act 1953* from amounts earned by the deceased person as a member of the Defence Force where:

(a) the amounts have not been credited in payment of income tax; and

(b) the Commissioner has not made a payment in respect of them.

450 Subparagraph 274(1)(aa)(ii)

Omit "(within the meaning of subsection 221A(1))".

451 Section 277A

Omit "(within the meaning of the *Fringe Benefits Tax Assessment Act 1986*)".

452 Section 300

Repeal the section, substitute:

300 Rebates

(1) The trustee of a fund that is an eligible superannuation fund or an eligible ADF in relation to a year of income is not entitled to a rebate as provided by section 46A.

(2) The trustee of a PST is not entitled to a rebate as provided by section 46A.

453 Subsection 310(3)

Before "Division", insert "former".

454 Section 317 (definition of *CGT roll-over provisions*)

Omit "section 160ZZF and Divisions 5A, 5B, 7A and 17 of", substitute "former section 160ZZF and Divisions 5A, 5B, 7A and 17 of former".

455 Section 317 (paragraph (a) of the definition of *depreciation provision*)

Before "sections", insert "former".

456 Section 317 (paragraph (a) of the definition of *depreciation provision*)

Before "Divisions", insert "former".

457 Paragraph 389(a)

Omit "and 23AK, sections 38 to 43 (inclusive) and 128D", substitute ", 23AK and 128D".

458 Subsection 396(2)

Repeal the subsection, substitute:

(2) A reference in subsection (1) to a non-taxable Australian asset is a reference to a CGT asset other than one that has the necessary connection with Australia (within the meaning of the *Income Tax Assessment Act 1997*).

459 Paragraph 398(3)(a)

Before "sections", insert "former".

460 Paragraph 399(1)(c)

Omit "this Act is further modified by disregarding subsections 160M(13) and (14), and".

461 Paragraph 399(1)(d)

Omit "for the purpose of applying Part IIIA of this Act in accordance with the preceding paragraphs, the trust is a resident trust estate, or a resident unit trust, as the case may be and,".

462 Paragraph 401(1)(a)

Omit "to take into account the amount of consideration received, entitled to be received or taken to be received, by the eligible CFC in respect of the disposal of an asset, or".

Note: The heading to section 401 is altered by omitting "**disposal consideration or**".

463 Paragraph 401(1)(b)

Omit "disposal or".

464 Paragraph 401(1)(c)

Omit "consideration or".

465 Paragraph 401(1)(c)

Omit "disposal or".

466 Paragraph 401(3)(b)

Omit "disposal of the asset, or the CGT event,", substitute "CGT event".

467 Paragraph 401(3)(c)

Omit "the consideration in respect of the disposal or".

468 Paragraph 401(3)(c)

Omit "the consideration or".

469 Paragraph 401(3)(d)

Omit "the consideration in respect of the disposal or".

470 Subparagraph 401(3)(d)(i)

Omit "the consideration or".

471 Subparagraph 401(3)(d)(ii)

Repeal the subparagraph, substitute:

(ii) if subparagraph (i) does not apply—only a proportion of each surplus (after any application of paragraph (b)) is to be taken into account under paragraph (1)(c), being the proportion calculated using the formula:

$$\frac{\text{Amount of capital proceeds}}{\text{Total grossed-up surplus}}$$

where:

total grossed-up surplus means the sum of the grossed-up amounts of the attribution surpluses (after any application of paragraph (b)).

472 Section 408A

Repeal the section, substitute:

408A Certain events before commencing day ignored

For the purposes of applying this Act in calculating the attributable income of an eligible CFC, if the eligible CFC's commencing day

is after 30 June 1995, Parts 3-1 and 3-3 of the *Income Tax Assessment Act 1997* do not apply to CGT events involving the eligible CFC before the end of the commencing day.

473 Subsection 413(3)

Before "Division 10C or 10D", insert "former".

474 Paragraph 418A(1)(f)

Omit "if subsection 160M(8) of this Act, or section 104-160 of the *Income Tax Assessment Act 1997* (CGT event I1),", substitute "if section 104-160 of the *Income Tax Assessment Act 1997* (CGT event I1)".

475 Subparagraph 423(2)(a)(i)

Before "Part IIIA", insert "former".

476 Subparagraph 423(3)(b)(i)

Before "Part", insert "former".

477 Subsection 424(2)

Omit "Part IIIA of this Act or".

478 Subsection 431(5)

Before "section" (wherever occurring), insert "former".

479 Subsection 438(3)

Omit "Part IIIA of this Act and".

480 Subsection 438(3A)

Omit "Part IIIA of this Act or".

481 Subsection 438(4)

Omit "not a taxable Australian asset within the meaning of Part IIIA of this Act, or".

482 Sub-subparagraph 439(1)(a)(iii)(A)

Before "section 54", insert "the former".

483 Paragraph 461(1)(a)

Omit "to take into account the amount of consideration received, entitled to be received or taken to have been received, by the taxpayer in respect of the disposal of an asset, or".

Note: The heading to section 461 is altered by omitting "**disposal consideration**" and substituting "**capital proceeds**".

484 Paragraph 461(1)(b)

Omit "disposal or".

485 Paragraph 461(1)(c)

Omit "consideration or".

486 Paragraphs 461(1)(c), (d) and (g)

Omit "disposal or".

487 Paragraph 461(3)(a)

Omit "the disposal of the asset, or".

488 Paragraph 461(3)(b)

Omit "the consideration in respect of the disposal or".

489 Paragraph 461(3)(b)

Omit "the consideration or".

490 Paragraph 461(3)(c)

Omit "the consideration in respect of the disposal or".

491 Subparagraph 461(3)(c)(i)

Omit "the consideration or".

492 Subparagraph 461(3)(c)(ii)

Repeal the subparagraph, substitute:

(ii) if subparagraph (i) does not apply—only a proportion of each surplus (after any application of paragraph (a)) is to be taken into account under paragraph (1)(c), being the proportion calculated using the formula:

$$\frac{\text{Amount of capital proceeds}}{\text{Total surplus}}$$

where:

total surplus means the sum of the attribution surpluses (after any application of paragraph (a)).

493 Subsection 555(2) (paragraphs (a) and (b) of the definition of *Deemed rate of return*)

Omit "basic statutory", substitute "base".

494 Subparagraphs 570(1)(a)(i) and (ii)

Repeal the subparagraphs, substitute:

(i) a depreciating asset within the meaning of Division 40 of the *Income Tax Assessment Act 1997*; or

(ii) industrial property within the meaning of Division 10B of Part III of this Act; or

495 Paragraph 570(1)(b)

Omit "plant, articles,".

496 Subsection 592(2) (paragraphs (a) and (b) of the definition of *Deemed rate of return*)

Omit "basic statutory", substitute "base".

497 Paragraph 613(1)(a)

Omit "to take into account the amount of consideration received, entitled to be received or taken to have been received, by the taxpayer in respect of the disposal of an asset, or".

Note: The heading to section 613 is altered by omitting "**disposal consideration**" and substituting "**capital proceeds**".

498 Paragraph 613(1)(b)

Omit "disposal", substitute "CGT event".

499 Paragraph 613(1)(c)

Omit "consideration or" (first occurring).

500 Paragraph 613(1)(c)

Omit "disposal or".

501 Paragraph 613(1)(c)

Omit "consideration or" (second occurring).

502 Paragraph 613(1)(d)

Omit "the disposal or".

503 Subsection 613(3)

Omit "the disposal of the asset or".

504 Subsection 245-15(2) in Schedule 2C

Omit "within the meaning of the *Fringe Benefits Tax Assessment Act 1986*".

505 Subsection 57-25(2) in Schedule 2D

Repeal the subsection, substitute:

Deemed disposal and re-purchase

(2) Subject to subsection (5), in determining for the purposes of this Act (other than the excluded provisions mentioned in subsection (4)) whether an amount is included in, or allowable as a deduction from, the assessable income of the transition taxpayer in respect of the disposal, the transition taxpayer is taken:

(a) to have sold, immediately before the transition time, each of its assets; and

(b) to have purchased each of its assets again at the transition time for consideration equal to the asset's adjusted market value at the transition time.

506 Paragraph 57-25(4)(j) in Schedule 2D

Omit "and".

507 Subsection 57-85(3) in Schedule 2D (table item 1, column 4)

Omit "Section 67", substitute "Former section 67".

508 Subsection 57-85(3) in Schedule 2D (table item 9, column 4)

Omit "Section 78", substitute "Former section 78".

509 Subsection 57-85(3) in Schedule 2D (table item 18, column 4)

Omit "Section 124J", substitute "Former section 124J".

510 Subsection 57-85(3) in Schedule 2D (table item 19)

Repeal the item, substitute:

19	Capital allowances	Division 40

511 Section 57-90 in Schedule 2D

Omit "or the corresponding deduction provision".

512 Paragraphs 57-100(a) and (b) in Schedule 2D

Omit "or the corresponding deduction provision (as appropriate)".

513 Subsection 57-110(2) in Schedule 2D (table item 1, column headed "Deduction rule to which the balancing adjustment provision relates")

Before "**Divisions**", insert "**former**".

514 Subsection 57-130(1) in Schedule 2D

Omit "Subdivisions 57-I and 57-J", substitute "Subdivision 57-J".

515 Paragraph 42A-20(2)(d) in Schedule 2E

Before "subsection", insert "former".

516 Subparagraph 42A-90(4)(a)(ii) in Schedule 2E

Before "subsection", insert "former".

517 Subparagraph 42A-105(4)(a)(ii) in Schedule 2E

Before "subsection", insert "former".

518 Section 42A-115 in Schedule 2E (definition of *motor car* or *car*)

Repeal the definition, substitute:

> ***motor car*** or ***car*** means a car within the meaning of subsection 995-1(1) of the *Income Tax Assessment Act 1997*, other than one mentioned in subsection 40-230(2) of that Act (about cars modified to carry disabled people).

519 Section 42A-120 in Schedule 2E

Before "section 57AF", insert "former".

520 Subsections 266-60(6) and 266-185(6) in Schedule 2F

Omit "Part VII", substitute "Part 4-25 in Schedule 1 to the *Taxation Administration Act 1953*".

521 Paragraph 268-35(2)(c) in Schedule 2F

Repeal the paragraph, substitute:

(c) deductions for expenditure, deductions for which are spread over 2 or more years, but not full year deductions (see subsection (5));

522 Paragraph 268-35(5)(a) in Schedule 2F

Omit "under section 51 (Losses and outgoings), or".

523 Paragraph 268-35(5)(b) in Schedule 2F

Omit "under section 63 (Bad debts), or".

524 Paragraph 268-35(5)(c) in Schedule 2F

Omit "under section 51, or".

525 Paragraph 268-35(5)(d) in Schedule 2F

Repeal the paragraph, substitute:

(d) deductions allowable under Division 30 of the *Income Tax Assessment Act 1997*;

526 Paragraph 268-35(5)(f) in Schedule 2F (note)

Omit "sections 79E, 79F, 80, 80AAA and 80AA, and".

527 Subsection 268-35(6) in Schedule 2F (note)

Omit "section 59, and subsection 330-485(2)", substitute "Subdivision 40-D".

528 Paragraph 268-40(3)(a) in Schedule 2F (note)

Omit "section 26B, and".

529 Paragraph 268-40(3)(b) in Schedule 2F (note)

Omit "sections 36, 36AAA and 36AA", substitute "section 36AAA".

530 Paragraph 268-40(3)(c) in Schedule 2F (note)

Omit "section 70A, and".

531 Subsection 268-40(4) in Schedule 2F

Omit "under section 26BA (Double wool clips), or under section 385-185 (Election to defer including profit on second wool clip) of the *Income Tax Assessment Act 1997*,", substitute "under section 385-185 (Election to defer including profit on second wool clip) of the *Income Tax Assessment Act 1997*".

532 Paragraph 268-45(4)(a) in Schedule 2F

Omit "under section 51 (Losses and outgoings), or".

533 Paragraph 268-45(4)(b) in Schedule 2F

Omit "under section 63 (Bad debts), or".

534 Paragraph 268-45(4)(c) in Schedule 2F

Omit "section 51, or under Division 8 (which is about deductions) of the *Income Tax Assessment Act 1997*," substitute "Division 8 (which is about deductions) of the *Income Tax Assessment Act 1997*".

535 Subsection 268-70(2) in Schedule 2F (note)

Omit "268-50 or".

536 Paragraph 271-60(5)(a) in Schedule 2F

Before "section 63B", insert "former".

537 Paragraph 271-60(5)(c) in Schedule 2F

Before "Part IIIA", insert "former".

538 Paragraph 271-60(5)(c) in Schedule 2F

Before "subsection 160ZC(5)", insert "former".

539 Paragraph 271-60(5)(e) in Schedule 2F

Before "section 50C", insert "former".

540 Paragraph 271-60(5)(f) in Schedule 2F

Before "section 50C" (wherever occurring), insert "former".

541 Paragraph 271-60(5)(f) in Schedule 2F

Before "subsection 50D(2)", insert "former".

542 Paragraph 271-60(5)(f) in Schedule 2F

Before "section 50D", insert "former".

543 Subsections 272-90(6) and (7) in Schedule 2F

Repeal the subsections, substitute:

Funds

(6) A fund, authority or institution in Australia that is mentioned in item 1 or 2 of the table in section 30-15 of the *Income Tax Assessment Act 1997* is a member of the primary individual's family group in relation to the conferral or distribution if, assuming that a deduction were allowable under Division 30 of that Act in respect of the conferral or distribution, section 78A of this Act would not prevent any of the deduction being allowable.

Certain tax exempt bodies

(7) An institution, hospital, trustee, society, association, club, or fund, all of whose income is exempt under:

(a) section 50-5, 50-10 or 50-20 of the *Income Tax Assessment Act 1997*; or

(b) item 6.1 or 6.2 of the table in section 50-30, or item 9.1 or 9.2 of the table in section 50-45, of the *Income Tax Assessment Act 1997*;

is a member of the primary individual's family group in relation to the conferral or distribution if, assuming that a deduction were allowable under Division 30 of that Act in respect of the conferral or distribution, section 78A of this Act would not prevent any of the deduction being allowable.

544 Paragraph 272-90(8)(a) in Schedule 2F

Omit "under paragraph 23(e), or".

545 Paragraph 272-90(8)(b) in Schedule 2F

Omit "mentioned in any of the tables in subsection 78(4), covered by paragraph 78(5)(a) or".

546 Section 272-140 in Schedule 2F (paragraphs (a) and (b) of the definition of *tax loss*)

Before "section", insert "former".

547 Subsection 393-15(4) in Schedule 2G (note 2)

Repeal the note, substitute:

Note 2: Under Part 2-5 in Schedule 1 to the *Taxation Administration Act 1953* (about pay as you go withholding), a deduction may nevertheless be required to be made from the actual payment.

548 Paragraph 393-30(3)(a) in Schedule 2G (note)

Omit "Division 6A of Part VI", substitute "section 12-140 in Schedule 1 to the *Taxation Administration Act 1953*".

549 Paragraph 393-50(5)(a) in Schedule 2G

Omit "sections 221ZXB, 221ZXD and", substitute "section".

550 Paragraph 393-50(5)(a) in Schedule 2G (note)

Omit "the transfer will not be subject to a deduction under Division 6A of Part VI and".

551 Paragraph 393-50(5)(c) in Schedule 2G

Omit "(including for the purposes of section 221ZXB)".

552 Paragraph 393-50(5)(c) in Schedule 2G (note)

Omit ", and how much of a deduction under Division 6A of Part VI is required".

553 Paragraph 393-60(4)(b) in Schedule 2G

Omit "under Part IIIA (Capital gains and capital losses)".

554 Paragraph 326-70(1)(b) in Schedule 2H

Repeal the paragraph, substitute:

(b) other shares (***non-demutualisation bonus shares***) in the same company, or an interest in such shares, where the shares are bonus equities mentioned in Subdivision 130-A of the

Income Tax Assessment Act 1997 and any of the demutualisation shares (whether or not disposed of at the time) are the original equities mentioned in that Subdivision.

555 Subsection 326-70(2) in Schedule 2H

Omit "any of the original shares mentioned in Division 8 of Part IIIA or".

556 Paragraphs 326-100(1)(e), 326-105(1)(e), 326-110(1)(d) and 326-115(c) in Schedule 2H

Omit "Division 8 of Part IIIA of this Act or".

557 Paragraph 326-135(1)(b) in Schedule 2H

Repeal the paragraph, substitute:

(b) other shares (***non-demutualisation bonus shares***) in the same company, or an interest in such shares, where the shares are bonus equities mentioned in Subdivision 130-A of the *Income Tax Assessment Act 1997* and any of the demutualisation shares (whether or not disposed of at the time) are the original equities mentioned in that Subdivision.

558 Subsection 326-135(2) in Schedule 2H

Omit "any of the original shares mentioned in Division 8 of Part IIIA of this Act, or".

559 Paragraphs 326-155(1)(d), 326-160(1)(d) and 326-165(c) in Schedule 2H

Omit "Division 8 of Part IIIA of this Act or".

560 Section 326-190 in Schedule 2H

Repeal the section, substitute:

326-190 Extinguishment of right to shares in demutualised entity by the issue of the shares

(1) If, under the direct method of demutualisation or the holding company method of demutualisation, shares in a demutualised entity are issued to an existing member, Parts 3-1 and 3-3 of the *Income Tax Assessment Act 1997* do not apply in respect of any

CGT event constituted by the extinguishment of the member's right to have the shares issued to the member.

(2) If, under the combined direct and holding company method of demutualisation, shares in a demutualised entity or in a holding company are issued to an existing member, Parts 3-1 and 3-3 of the *Income Tax Assessment Act 1997* do not apply in respect of any CGT event constituted by the extinguishment of the member's rights to have the shares issued to the member.

561 Section 326-205 in Schedule 2H

Omit "neither Part IIIA of this Act nor Parts 3-1 and 3-3 of the *Income Tax Assessment Act 1997* apply in respect of any disposal, or any CGT event, as the case may be,", substitute "Parts 3-1 and 3-3 of the *Income Tax Assessment Act 1997* do not apply in respect of any CGT event".

562 Subsection 326-215(2) in Schedule 2H

Repeal the subsection, substitute:

(2) Parts 3-1 and 3-3 of the *Income Tax Assessment Act 1997* do not apply in respect of the change in rights.

563 Subsection 326-220(4) in Schedule 2H (definition of *disposal*)

Before "section", insert "former".

564 Subsection 326-220(4) in Schedule 2H (paragraph (a) of the definition of *rollover provision*)

Before "section", insert "former".

565 Section 326-225 in Schedule 2H

Omit "for the purposes of section 160ZL or".

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566 Subsection 3-5(3) (note to question 3)

Omit ", 214A".

567 Section 10-5 (table item headed "barter transactions")

Omit "**26(e)**", substitute "15-2".

568 Section 10-5 (table item headed "car expenses")

Omit "**26(eaa)**", substitute "15-70".

569 Section 10-5 (table item headed "defence forces")

Omit "**26(ea)**", substitute "15-2".

570 Section 10-5 (table item headed "elections")

Omit "**74A(4)**", substitute "25-65".

571 Section 10-5 (table item headed "employment")

Omit "**26(e), 26(ea)**", substitute "15-2".

572 Section 10-5 (table item headed "insurance")

Omit "**26(i)**, **26AH**", substitute "**26AH**, 15-75".

573 Section 10-5 (table item headed "leases")

Omit:

crown leases used for primary production, assignment of ..... **88A(3)**
improvements made by lessee to land **87**

574 Section 10-5 (table item headed "leases")

Omit:

premiums on old leases **84**

575 Section 10-5 (table item headed "partnerships")

Omit:

see also *development allowance*, *drought investment allowance* and *leases*

substitute:

see also *leases*

576 Section 10-5 (table item headed "profits")

Omit:

business partly in Australia and partly overseas ..... **43(1)**

577 Section 10-5 (table item headed "trusts")

Omit:

deceased estates, your interest in income of ..... **26(b)**

578 Section 10-5 (table item headed "trusts")

Omit "**26(b)**,".

579 Section 10-5 (table item headed "wool clips")

Omit "**26BA**", substitute "385-135, 385-155".

580 Section 11-15 (table item headed "credit unions")

Omit "23G", substitute "**23G**".

581 Section 11-15 (table item headed "education")

Omit "**23(ya)**", substitute "842-105".

582 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

Australian Federal Police member in Cambodia, pay and allowance **23ADA**

583 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

Commonwealth Government Officer, official salary and foreign income ..... **23(a)(vi)**

substitute:

Commonwealth of Nations country officer, official salary and foreign income 768-100

584 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit "**23(a)(ii)**" (first occurring), substitute "768-100".

585 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit "**23(u)**", substitute "842-105".

586 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit "**23(v)**", substitute "842-105".

587 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit "**23(a)(ii)**" (second occurring), substitute "768-100".

588 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit "**23(c)(iv)**" (first occurring), substitute "842-105".

589 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

expert, non-resident, remuneration of ..... **23(b)**

substitute:

expert, foreign resident, remuneration of 842-105

590 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit "**23(c)(iv)**" (second occurring), substitute "842-105".

591 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

government representative and members of the entourage, non-resident, income of ..... **23(c)(iii)**

substitute:

government representative and members of the entourage, foreign resident, income of 842-105

592 Section 11-15 (table item headed "foreign aspect of income taxation")

Omit:

non-resident, foreign sourced income ..... **23(r)**

593 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

Papua New Guinea pension, Papua New Guinea resident ..... **23(kd)**

594 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

persecution victim, pensions etc. ..... **23(kc)**

substitute:

persecution victim, payments to 768-105

595 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit "**23(c)(v)**", substitute "842-105".

596 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

resistance fighter and victim of wartime persecution, payments to **23AL**

resistance fighter and victim of wartime persecution, pension and etc. of ..... **23(kca)**

substitute:

resistance fighter and victim of wartime persecution, payments to 768-105

597 Section 11-15 (table item headed "foreign aspects of income taxation")

Omit:

superannuation fund, non-resident, interest and dividend income of ..... **23(jb)**

598 Section 11-15 (table item headed "social security or like payments")

Omit "**24AIC** and".

599 Section 11-15 (table item headed "social security or like payments")

Omit:

persecution victim, pension etc. for ..... **23(kc)**

substitute:

persecution victim, payments to	768-105

600 Section 11-15 (table item headed "social security or like payments")

Omit:

resistance fighter and victim of wartime persecution, pension and etc. for	**23(kca)**

substitute:

resistance fighter and victim of wartime persecution, payments to	768-105

601 Section 11-55 (table item headed "firearms surrender arrangements")

Omit:

depreciated value, consideration exceeds	**59(2AAA)**

602 Section 11-55 (table item headed "foreign aspects of income taxation")

Before:

withholding tax, dividend royalty or interest subject to	**128D**

insert:

superannuation fund, foreign, interest and dividend income of	**128B(3)(jb)**

603 Section 12-5 (table item headed "banks")

Omit:

Commonwealth Savings Bank of Australia	**160ABB**

604 Section 12-5 (table item headed "capital allowances")

Omit:

intellectual property	Subdivision 40-B

substitute:

intellectual property	Subdivisions 40-B and 40-I

605 Section 12-5 (table item headed "capital allowances")

Omit:

trading ships, special depreciation **57AM**

606 Section 12-5 (table item headed "Commonwealth places windfall tax")

Omit "**26-17**", substitute "26-17".

607 Section 12-5 (table item headed "copyrights")

Omit "**68A**", substitute "Subdivisions 40-B and 40-I".

608 Section 12-5 (table item headed "designs")

Omit "**68A**", substitute "Subdivisions 40-B and 40-I".

609 Section 12-5 (table item headed "dividends")

Omit:

debt dividends **67AA**

610 Section 12-5 (table item headed "election expenses")

Omit "**74A, 74B**", substitute "25-65, 25-70".

611 Section 12-5 (table item headed "film income")

Omit:

exempt film income **23H**

612 Section 12-5 (table item headed "franchise fees windfall tax")

Omit "**26-15**", substitute "26-15".

613 Section 12-5 (table item headed "leases")

Omit:

improvements on leased land and premiums, leases assigned or surrendered before 23 October 1964 and for mining leases assigned or surrendered before 10 May 1968 ..... **83 to 89, 88A(3)**

614 Section 12-5 (table item headed "mining")

Repeal the item, substitute:

mining

see *capital allowances*

615 Section 12-5 (table item headed "non-resident trust estates")

Omit "section **79E**, **79F**, **80**, **80AAA** or **80AA**", substitute "Division 36".

616 Section 12-5 (table item headed "patents")

Omit "**68A**", substitute "Subdivisions 40-B and 40-I".

617 Section 12-5 (table item headed "primary production")

Omit:

drought investment allowance, generally	**625 to 684**

618 Section 12-5 (table item headed "primary production")

Omit:

income equalisation deposits	**159GA to 159GDA**
land, preparing, clearing, ploughing or draining land for use in primary production and other activities	**75A**

619 Section 12-5 (table item headed "public trading trusts")

Omit:

debt dividends, application of section **67AA**	**102T(4A)**

620 Section 12-5 (table item headed "superannuation guarantee charge")

Omit "**51(9)**", substitute "26-95".

621 Section 12-5 (table item headed "superannuation levy")

Repeal the item, substitute:

superannuation supervisory levy	
late lodgment amount, no deduction for.....	26-90

622 Section 12-5 (table item headed "tax avoidance schemes")

Omit "**136AG**", substitute "**136AF**".

623 Section 12-5 (table item headed "transfer pricing")

Omit "**136AG**", substitute "**136AF**".

624 Section 13-1 (table item headed "foreign tax")

Omit:

shipping income, credit for overseas tax paid	**160AGB(3)**

625 Section 13-1 (table item headed "private health insurance")

Omit "**Subdivisions 61-G and 61-H**", substitute "Subdivision 61-H".

626 Section 13-1 (table item headed "trusts")

Omit:

non-resident trust estate, winding-up.....	**102AAN**

627 Before section 15-3

Insert:

15-2 Allowances and other things provided in respect of employment or services

(1) Your assessable income includes the value to you of all allowances, gratuities, compensation, benefits, bonuses and premiums *provided to you in respect of, or for or in relation directly or indirectly to, any employment of or services rendered by you (including any service as a member of the Defence Force).

(2) This is so whether the things were *provided in money or in any other form.

(3) However, the value of the following are not included in your assessable income under this section:

(a) an *eligible termination payment;

(b) an amount to which section 26AC or 26AD (about termination payments for unused leave) of the *Income Tax Assessment Act 1936* applies;

(c) a *dividend or *non-share dividend;

(d) an amount that is assessable as *ordinary income under section 6-5.

Note: Section 23L of the *Income Tax Assessment Act 1936* provides that fringe benefits are non-assessable non-exempt income.

628 At the end of Division 15

Add:

15-70 Reimbursed car expenses

Your assessable income includes a reimbursement mentioned in section 22 of the *Fringe Benefits Tax Assessment Act 1986* (about exempt car expense payment benefits) that, but for that section, would be a *fringe benefit *provided to you.

15-75 Bonuses

Your assessable income includes any amount you receive as or by way of bonus on a *life insurance policy, other than a reversionary bonus.

Note: Reversionary bonuses are covered by section 6-5 of this Act if they are ordinary income and, if not, by section 26AH of the *Income Tax Assessment Act 1936*.

629 Subsection 20-30(1) (table)

After table item 1.6, insert:

1.6A	25-65		election expenses, local governing body

630 Subsection 20-30(2) (table items 2.1 and 2.2, column headed "Provision")

Omit "**51(1)** (so far as it allows you", substitute "Former **51(1)** (so far as it allowed you".

631 Subsection 20-30(2) (table item 2.4, column headed "Provision")

Before "**69**", insert "Former".

632 Subsection 20-30(2) (table item 2.5, column headed "Provision")

Before "**70A(3)**", insert "Former".

633 Subsection 20-30(2) (table item 2.6, column headed "Provision")

Before "**71**", insert "Former".

634 Subsection 20-30(2) (table item 2.7, column headed "Provision")

Before "**72**", insert "Former".

635 Subsection 20-30(2) (table item 2.7A, column headed "Provision")

Before "**72A**", insert "Former".

636 Subsection 20-30(2) (table item 2.9, column headed "Provision")

Before "**74**", insert "Former".

637 Subsection 20-30(2) (table)

After table item 2.9, insert:

2.9A	Former **74A**	election expenses, local governing body

638 Subsection 20-30(2) (table item 2.10, column headed "Provision")

Before "**75AA(1)**", insert "Former".

639 Subsection 20-30(2) (table item 2.11, column headed "Provision")

Before "**75B(2)**", insert "Former".

640 Subsection 20-30(2) (table item 2.12, column headed "Provision")

Before "**75D(2)**", insert "Former".

641 Subsection 20-30(2) (table item 2.13, column headed "Provision")

Before "**82AB**", insert "Former".

642 Subsection 20-30(2) (table item 2.14, column headed "Provision")

Before "**82BB**", insert "Former".

643 Subsection 20-30(2) (table item 2.15, column headed "Provision")

Before "**82BK**", insert "Former".

644 Subsection 20-30(2) (table items 2.17 to 2.19, column headed "Provision")

Before "**Division**", insert "Former".

645 Subsection 20-30(2) (table item 2.20, column headed "Provision")

Before "**124BA**", insert "Former".

646 Subsection 20-30(2) (table item 2.21, column headed "Provision")

Before "**124ZZF**", insert "Former".

647 Subsection 20-30(2) (table item 2.22, column headed "Provision")

Before "**124ZZG**", insert "Former".

648 Subsection 20-30(2) (table item 2.23, column headed "Provision")

Before "**628**", insert "Former".

649 Subsection 20-30(2) (table item 2.24, column headed "Provision")

Before "**636**", insert "Former".

650 Subsection 20-55(1) (table item 1)

Before "**26(j)**", insert "former".

651 Subsection 20-55(1) (table item 2)

Before "**26(k)**", insert "former".

652 Subsection 20-55(1) (table item 3)

Before "**63(3)**", insert "former".

653 Subsection 20-55(1) (table item 4)

Before "**69(8)**", insert "former".

654 Subsection 20-55(1) (table item 5)

Before "**70A(5)**", insert "former".

655 Subsection 20-55(1) (table item 6)

Before "**72(2)**", insert "former".

656 Subsection 20-55(1) (table item 6A)

Before "**72A(4)(a)**", insert "former".

657 Subsection 20-55(1) (table item 7)

Before "**74(2)**", insert "former".

658 Subsection 20-55(2)

Omit "Section", substitute "Former section".

659 At the end of section 25-5

Add:

Expenditure by trustee of deceased estate

(8) If:

(a) after you die, the trustee of your deceased estate incurs expenditure; and

(b) had you incurred the expenditure before you died, you could have deducted it under subsection (1);

for the purposes of assessing the trustee for the income year in which you died, the expenditure is an allowable deduction under that subsection.

660 After section 25-60

Insert:

25-65 Local government election expenses

(1) You can deduct expenditure you incur in contesting an election for membership of a *local governing body, but you cannot deduct more than $1,000 per election. You deduct the expenditure for the income year in which you incur it.

(2) However, you can deduct more than the $1,000 limit if:

(a) you have received an amount as *recoupment of the expenditure; and

(b) some or all of that amount is included in your assessable income for an income year; and

(c) the total of your deductions for the election would be less than the $1,000 limit if you disregarded so much (the ***assessed recoupment***) of the expenditure as equals the amount so included in your assessable income.

In that case:

(d) the assessed recoupment is disregarded in applying the $1,000 limit; and

(e) the further amount that you can deduct because of paragraph (d) is deducted for the income year referred to in paragraph (b).

Example: Chris is elected to the Bunyip Shire Council. In the 2007-08 income year he incurs expenditure of $1,200 in contesting the election, of which he deducts $1,000 (the limit under subsection (1)).

In 2008-09, Chris receives $360 as an assessable recoupment of the expenditure. $300 of that is included in his assessable income by section 20-35 (as extended by section 20-50).

Because of the assessable recoupment, $300 of the expenditure is disregarded under paragraph (2)(d) in applying the $1,000 limit. As a result, Chris's deductions are treated as being only $700, which is less than the limit. This does not affect his original deduction for 2007-2008, but it means he can deduct the previously undeducted $200, for 2008-09 (see paragraph (2)(e)).

This triggers a further application of section 20-35 (as extended by section 20-50) to include the remaining $60 of the assessable recoupment in Chris's assessable income for 2008-09. His total deductions (net of recoupment included in assessable income) come to $840, which is the same as his original expenditure (net of recoupment).

Note: An amount you receive as recoupment of expenditure may be included in your assessable income as an assessable recoupment under Subdivision 20-A, as ordinary income under section 6-5 or as statutory income under some other provision.

661 Subsection 25-70(1)

After "25-60", insert "or 25-65".

662 Paragraph 26-55(2)(c)

Omit "Division 16C (Income equalisation deposits) of Part III of, or Schedule 2G (Farm management deposits) to,", substitute "Schedule 2G (Farm management deposits) to".

663 At the end of Division 26

Add:

26-90 Superannuation supervisory levy

You cannot deduct under this Act so much of a levy imposed by the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Act 1991* as represents the late lodgment amount (within the meaning of section 6 of that Act).

26-95 Superannuation guarantee charge

You cannot deduct under this Act a charge imposed by the *Superannuation Guarantee Charge Act 1992*.

664 Subsection 40-215(2)

Repeal the subsection, substitute:

(2) Subsection (1) does not apply to deductions for research and development plant expenditure (sections 73B and 73BA of the *Income Tax Assessment Act 1936*).

Note: Subsection (2) does not have the effect that deductions for the same amount of any such expenditure will be allowable under both this Division and section 73B or 73BA. Such an outcome is prevented by subsection 40-25(2) (including as applied by section 73BC for the purposes of section 73BA) and subsections 73B(20) and 73BA(7).

665 Paragraph 43-40(1)(a)

Before "Division 10C", insert "former".

666 Subparagraph 43-70(2)(f)(ii)

Before "Division 10", insert "the former".

667 Subparagraph 43-70(2)(f)(ii)

Omit "deal", substitute "dealt".

668 Subparagraph 43-70(2)(f)(iv)

Before "section", insert "the former".

669 Subparagraph 43-70(2)(f)(iv)

Omit "allow", substitute "allowed".

670 Subparagraph 43-70(2)(f)(v)

Before "section", insert "the former".

671 Subparagraph 43-70(2)(f)(v)

Omit "allow", substitute "allowed".

672 Subparagraph 43-70(2)(f)(vi)

Before "section", insert "the former".

673 Subparagraph 43-70(2)(f)(vi)

Omit "allow", substitute "allowed".

674 Paragraph 43-70(2)(h)

Before "Subdivision", insert "the former".

675 Section 43-250 (method statement, paragraph (c) of step 2)

Before "Division", insert "former".

676 Subsection 70-30(4) (table item 2, column headed "In this case:")

Before "Part IIIA", insert "former".

677 Subsection 70-30(4) (table item 3, column headed "The cost is:")

Before "Part IIIA", insert "former".

678 Subsection 70-30(4) (table item 3, column headed "The cost is:")

Before "section 160ZG", insert "former".

679 Subsection 104-25(3) (note)

Before "section 160ZL", insert "former".

680 Subsection 104-40(5) (note 2)

Before "Part IIIA", insert "former".

681 Subsection 104-70(5) (note)

Before "section 160ZM", insert "former".

682 Subsection 104-135(3) (note 2)

Before "section 160ZL", insert "former".

683 Subsection 104-175(1) (note)

Before "section 160ZZO", insert "former".

684 Subsection 104-185(1) (note 2)

Before "Part IIIA", insert "former".

685 Subsection 104-190(1) (note)

Before "Part IIIA", insert "former".

686 Subsection 108-5(2) (note 2)

Before "Part IIIA", insert "former".

687 Subsection 108-75(2) (note)

Before "sections", insert "former".

688 Paragraph 110-45(6)(a)

Before "section", insert "former".

689 Subparagraph 110-45(6)(b)(ii)

Before "Division", insert "former".

690 Paragraph 110-45(6)(b)

Before "subsections", insert "former".

691 Paragraph 110-50(6)(a)

Before "section", insert "former".

692 Subparagraph 110-50(6)(b)(ii)

Before "Division", insert "former".

693 Paragraph 110-50(6)(b)

Before "subsections", insert "former".

694 Subparagraph 110-55(3)(b)(iii)

Before "subsection", insert "former".

695 Subparagraph 110-60(1)(b)(iii)

Before "subsection", insert "former".

696 Section 112-97 (table items 10 and 11)

Repeal the items, substitute:

10	CGT event happens to CGT asset used in gold mining	First element of cost base and reduced cost base	section 112-100 of the *Income Tax (Transitional Provisions) Act 1997*

697 Subsection 115-20(2) (example)

Omit "Section", insert "Former section".

698 Section 118-30

Repeal the section, substitute:

118-30 Film copyright

(1) A *capital gain or *capital loss you make from a *CGT event relating to your interest in the copyright in a film is disregarded if an amount is included in your assessable income under section 26AG (about film proceeds) of the *Income Tax Assessment Act 1936* because of the event.

(2) If you are a partner in a partnership, a *capital gain or *capital loss you make from a *CGT event relating to the partnership's interest in the copyright in a film is disregarded if an amount is included in the assessable income of a partner (including you) under section 26AG of that Act because of the event.

(3) If you are absolutely entitled to an interest in the copyright in a film as against the trustee of a trust (disregarding any legal disability), a *capital gain or *capital loss you make from a *CGT

event relating to the interest is disregarded if an amount is included in your assessable income or the net income of the trust under section 26AG of that Act because of the event.

699 Subsection 121-25(4) (note 1)

Before "section 160ZZPI", insert "former".

700 Section 136-25 (note)

Before "section 160ZZN", insert "former".

701 Subparagraph 149-10(b)(i)

Before "subsection", insert "former".

702 Subparagraph 149-10(b)(ii)

Before "Part IIIA", insert "former".

703 Paragraph 165-60(3)(a) (note)

Omit "of this Act and section 26B of the *Income Tax Assessment Act 1936*".

704 Paragraph 165-60(3)(b) (note)

Omit "sections 36, 36AAA and 36AA", substitute "section 36AAA".

705 Subsection 170-220(4) (note 2)

Before "subsection", insert "former".

706 Subsection 170-225(6) (note)

Before "subsections", insert "former".

707 Subsection 180-10(7)

Omit "Part VII of the *Income Tax Assessment Act 1936*", substitute "Part 4-25 in Schedule 1 to the *Taxation Administration Act 1953*".

708 Subsection 180-20(5)

Omit "Part VII of the *Income Tax Assessment Act 1936*", substitute "Part 4-25 in Schedule 1 to the *Taxation Administration Act 1953*".

709 Paragraph 202-45(b)

Omit "paragraph 24BB(a)", substitute "subsection 24B(1)".

710 Paragraph 207-145(1)(a)

Before "Part IIIAA", insert "former".

711 Paragraph 207-150(1)(a)

Before "Part IIIAA", insert "former".

712 Paragraph 210-170(1)(e)

Before "Part IIIAA", insert "former".

713 Paragraph 240-15(a)

Omit "and Part IIIA of the *Income Tax Assessment Act 1936*".

714 Paragraph 243-15(1)(c)

Omit "(other than development allowance or drought investment allowance)".

715 Subsection 243-35(2) (method statement, step 1)

Omit "(other than development allowance or drought investment allowance)".

716 Subsection 243-55(1)

Omit "(other than development allowance or drought investment allowance)".

717 Subsection 243-65(3) (method statement, steps 1, 3 and 4)

Omit "(other than development allowance or drought investment allowance)".

718 Subsection 328-295(1) (note 1)

Omit "Note 1", substitute "Note".

719 Paragraph 375-805(2)(a)

Omit "sections 124ZAF and", substitute "section".

720 Paragraph 405-30(3)(c)

Repeal the paragraph, substitute:

(c) a *net capital gain.

721 Paragraph 705-47(1)(a)

Before "section", insert "former".

722 Paragraph 705-47(1)(b)

Repeal the paragraph, substitute:

(b) former Subdivision 57-I, and Subdivision 57-J, in Schedule 2D to the *Income Tax Assessment Act 1936* (about depreciation and capital allowance deductions);

723 Subparagraph 705-47(2)(b)(i)

Before "section", insert "former".

724 Subparagraph 705-47(2)(b)(ii)

Repeal the subparagraph, substitute:

(ii) former Subdivision 57-I, and Subdivision 57-J, in Schedule 2D to the *Income Tax Assessment Act 1936* (about depreciation and *capital allowance deductions);

725 Subsection 705-47(2) (note 2)

Omit "Section 61A of, or Subdivision 57-I or 57-J in", substitute "Former section 61A of, or former Subdivision 57-I or Subdivision 57-J in".

726 Paragraphs 705-50(2)(b) and (3)(b)

Omit "section 46 or 46A", substitute "section 46A or former section 46".

727 Subsection 705-57(3)

Before "subsection", insert "former".

728 Subsection 705-57(3)

Before "Part IIIA", insert "former".

729 Paragraph 705-57(4)(b)

Before "subsection", insert "former".

730 Paragraph 705-57(4)(b)

Before "Part IIIA", insert "former".

731 Paragraph 705-65(3)(b)

Before "subsection", insert "former".

732 Subparagraph 705-93(1)(a)(ii)

Before "section 160ZZO of the", insert "former".

733 Subparagraph 705-147(3)(a)(ii)

Before "section 160ZZO of the", insert "former".

734 Subsection 705-150(1)

Before "section 160ZZO", insert "former".

735 Paragraph 705-150(2)(a)

Before "section", insert "former".

736 Subparagraph 705-150(2)(b)(ii)

Before "section", insert "former".

737 Subparagraph 705-155(4)(b)(i)

Before "section", insert "former".

738 Subsection 705-155(6)

After "Also, if", insert "former".

739 Paragraph 705-155(6)(a)

Before "subsection 160ZK(5)", insert "former".

740 Subsection 705-155(6)

Before "subsection 160ZK(5) of the *Income Tax Assessment Act 1936*, or", insert "former".

741 Paragraph 705-163(6)(f)

Before "sections", insert "former".

742 Subsection 705-190(2)

Omit "section 46 or 46A", substitute "section 46A or former section 46".

743 Subparagraph 705-227(3)(a)(ii)

Before "section 160ZZO of the", insert "former".

744 Subparagraph 716-855(b)(ii)

Before "section", insert "former".

745 Section 716-855

After "Subdivision 126-B or", insert "former".

746 Subsection 721-10(2) (table item 5)

Before "section 160ARDZ", insert "former".

747 Subsection 721-10(2) (table item 5)

Before "Part IIIAA", insert "former".

748 Before Subdivision 768-G

Insert:

Subdivision 768-B—Some items of income that are exempt from income tax

Table of sections

768-100 Foreign government officials in Australia
768-105 Compensation arising out of Second World War

768-100 Foreign government officials in Australia

(1) The amounts of *ordinary income and *statutory income covered by the table are exempt from income tax. In some cases, the exemption is subject to exceptions or special conditions, or both.

Note 1: Ordinary and statutory income that is exempt from income tax is called exempt income: see section 6-20. The note to subsection 6-15(2) describes some of the other consequences of it being exempt income.

Note 2: Even if an exempt payment is made to you, the Commissioner can still require you to lodge an income tax return or information under section 161 of the *Income Tax Assessment Act 1936*.

Exempt amounts			
Item	**If you are:**	**the following amounts are exempt from income tax:**	**subject to these exceptions and special conditions:**
1	(a) a representative in Australia of the government of a foreign country; or (b) a member of the official staff of such a representative; and you are neither an Australian citizen nor ordinarily resident in Australia	(a) your official salary; and (b) your *ordinary income, and your *statutory income, from a source outside Australia	(a) no Convention listed in subsection (2) applies to the representative; and (b) the country concerned grants in relation to Australia exemptions from taxes on income that correspond with the exemption in this item
2	(a) an officer of the government of a *Commonwealth of Nations country; and (b) temporarily in Australia to render service on behalf of that country, or an *Australian government agency, in accordance with an *arrangement between the governments of that country and of the Commonwealth or of a State or Territory	(a) your official salary; and (b) your *ordinary income, and your *statutory income, from a source outside Australia	that country exempts from income tax the salaries of officers of the government of the Commonwealth temporarily in that country for similar purposes in accordance with a similar arrangement

(2) The Conventions are:

(a) the Vienna Convention on Diplomatic Relations, as having the force of law because of the *Diplomatic Privileges and Immunities Act 1967*;

(b) the Vienna Convention on Consular Relations, as having the force of law because of the *Consular Privileges and Immunities Act 1972*.

Note: Those Conventions have the force of law in Australia because of those Acts and achieve substantially the same effect as item 1 of the table: see Article 34 of the Vienna Convention on Diplomatic Relations and Article 49 of the Vienna Convention on Consular Relations.

768-105 Compensation arising out of Second World War

(1) A payment to you is exempt from income tax if:

(a) you are an Australian resident at the time when it would otherwise be included in your assessable income; and

(b) the payment is from a source in a foreign country; and

(c) the payment is in connection with:

(i) any wrong or injury; or

(ii) any loss of, or damage to, property; or

(iii) any other detriment;

suffered by you or another individual as a result of:

(iv) persecution by the National Socialist regime of Germany during the National Socialist period; or

(v) persecution during the Second World War by any other enemy of the Commonwealth or by a regime covered by subsection (3); or

(vi) flight from persecution mentioned in subparagraph (iv) or (v); or

(vii) participation in a resistance movement during the Second World War against forces of the National Socialist regime of Germany or against forces of any other enemy of the Commonwealth; and

(d) the payment is not directly or indirectly from any of your *associates.

Note: An example of a detriment covered by subparagraph (c)(iii) is if you lost the opportunity to qualify for a pension because your period of contribution was cut short because you had to flee persecution by the National Socialist regime.

Duration of Second World War

(2) Subsection (1) applies to:

(a) the period immediately before the Second World War; and

(b) the period immediately after the Second World War;

in the same way as it applies to the period of the Second World War.

Regimes associated with an enemy of the Commonwealth

(3) This subsection covers a regime that was:

(a) in alliance with; or

(b) occupied by; or

(c) effectively controlled by; or

(d) under duress from; or

(e) surrounded by;

either or both of the following:

(f) the National Socialist regime of Germany;

(g) any other enemy of the Commonwealth.

Legal personal representative

(4) Subsection (1) applies to a payment to:

(a) your *legal personal representative; or

(b) a trust established by your will;

in a corresponding way to the way in which it would have applied if:

(c) the payment had been to you; and

(d) if the payment is made after your death—you were still alive.

749 Subsection 820-39(4) (note 1)

Repeal the note, substitute:

Note 1: While an entity meets the conditions in subsection (3), it is treated for the purposes of this Division as *not* being a member of a consolidated group or MEC group (see section 820-584).

750 Paragraph 820-40(1)(c)

Before "section 67", insert "former".

751 Subsection 820-85(1) (note 4)

Repeal the note, substitute:

Note 4: A consolidated group or MEC group may be an outward investing entity (non-ADI) to which this Subdivision applies: see Subdivisions 820-FA and 820-FB.

752 Subsection 820-185(1) (note 6)

Repeal the note, substitute:

Note 6: A consolidated group or MEC group may be an inward investing entity (non-ADI) to which this Subdivision applies: see Subdivisions 820-FA and 820-FB.

753 Subsection 820-300(1) (note 4)

Repeal the note, substitute:

Note 4: A consolidated group or MEC group may be an outward investing entity (ADI) to which this Subdivision applies: see Subdivisions 820-FA and 820-FB.

754 At the end of subsection 820-395(1)

Add:

Note 4: A consolidated group or MEC group may be an inward investing entity (ADI) to which this Subdivision applies: see Subdivision 820-FB.

755 Section 820-445 (heading)

Repeal the heading, substitute:

820-445 How this Subdivision interacts with Subdivision 820-FA

756 Subsection 820-445(3)

Omit "(3)".

757 After Division 830

Insert:

Division 842—Exempt Australian source income and gains of foreign residents

Table of Subdivisions

842-B Some items of Australian source income of foreign residents that are exempt from income tax

Subdivision 842-B—Some items of Australian source income of foreign residents that are exempt from income tax

Guide to Subdivision 842-B

842-100 What this Subdivision is about

If you are a foreign resident, some of the income you derive while in Australia, or from Australian sources, may be exempt income.

Table of sections

842-105 Amounts of Australian source ordinary income and statutory income that are exempt

842-105 Amounts of Australian source ordinary income and statutory income that are exempt

The amounts of *ordinary income and *statutory income covered by the table are exempt from income tax. In some cases, the exemption is subject to exceptions or special conditions, or both.

Note 1: Ordinary and statutory income that is exempt from income tax is called exempt income: see section 6-20. The note to subsection 6-15(2) describes some of the other consequences of it being exempt income.

Note 2: Even if an exempt payment is made to you, the Commissioner can still require you to lodge an income tax return or information under section 161 of the *Income Tax Assessment Act 1936*.

Exempt amounts			
Item	**If you are:**	**the following amounts are exempt from income tax:**	**subject to these exceptions and special conditions:**
1	a foreign resident	your remuneration paid by an *Australian government agency	the remuneration is paid to you: (a) for expert advice to that agency; or (b) as a member of a Royal Commission
2	a foreign resident who is: (a) the representative of the government of a foreign country, visiting Australia on behalf of that government; or (b) a member of the entourage of such a representative	your *ordinary income, and your *statutory income, in your official capacity as such a representative or member	none
3	a foreign resident visiting Australia: (a) in the capacity of representative of any society or association established for educational, scientific, religious or philanthropic purposes; and (b) for the purpose of attending an international conference, or for the purpose of carrying on investigation or research for the society or association	your *ordinary income, and your *statutory income, in that capacity	none

Exempt amounts			
Item	**If you are:**	**the following amounts are exempt from income tax:**	**subject to these exceptions and special conditions:**
4	a foreign resident visiting Australia: (a) in the capacity of representative of the media outside Australia; and (b) for the purpose of reporting the proceedings relating to any of the matters referred to in items 2 and 3	your *ordinary income, and your *statutory income, in that capacity	none
5	a member of the naval, military or air forces of the government of a foreign country	pay and allowances you earn in Australia as a member of those forces	the pay and allowances are not paid or provided by the Commonwealth
6	a foreign resident visiting Australia	your *ordinary income, and your *statutory income, that: (a) is from an occupation you carry on while in Australia; and (b) is not exempt from income tax in the country where you are ordinarily resident	in the opinion of the Treasurer, the visit and occupation are principally directed to assisting in the defence of Australia
7	(a) a foreign resident pursuing in Australia a course of study or training; and (b) in Australia for the sole purpose of pursuing that course	your *ordinary income, and your *statutory income, by way of a scholarship, bursary, or other educational allowance, provided by the Commonwealth	none

758 Paragraph 900-30(7)(b)

Omit "of this Act or section 74A (about local governing body election expenses) of the *Income Tax Assessment Act 1936*", substitute "or section 25-65 (about local government election expenses)".

759 Paragraph 900-220(2)(b)

Omit "paragraph 26(eaa) of the *Income Tax Assessment Act 1936*", substitute "section 15-70".

760 Subsection 995-1(1) (definition of *adjusted average equity capital*)

Omit "820-562,".

761 Subsection 995-1(1) (definition of *annual payer*)

Omit ", 45-155 or", substitute "or 45-155 or former section".

762 Subsection 995-1(1) (definition of *average equity capital*)

Omit ", 820-575".

763 Subsection 995-1(1)

Insert:

Commonwealth of Nations country means:

(a) a foreign country that is a member of the Commonwealth of Nations; or

(b) a colony, overseas territory or protectorate of such a member; or

(c) a territory for whose international relations such a member is responsible;

other than one declared by the regulations not to be a Commonwealth of Nations country.

764 Subsection 995-1(1) (note to definition of *cost*)

Before "section", insert "former".

765 Subsection 995-1(1) (definition of *inward investing entity (non-ADI)*)

Omit "820-550,".

766 Subsection 995-1(1) (definition of *inward investment vehicle (financial)*)

Omit "820-550,".

767 Subsection 995-1(1) (definition of *inward investment vehicle (general)*)

Omit ", 820-550".

768 Subsection 995-1(1) (definition of *large withholder*)

Omit "sections 16-95 and 16-125 ", substitute "section 16-95".

769 Subsection 995-1(1) (definition of *local governing body*)

Repeal the definition, substitute:

> ***local governing body*** means a local governing body established by or under a *State law or *Territory law.

770 Subsection 995-1(1) (definition of *medium withholder*)

Omit "and 16-135".

771 Subsection 995-1(1)

Insert:

> ***natural resource*** means minerals or any other non-living resource of the land, sea-bed or sea.

772 Subsection 995-1(1) (definition of *outward investing entity (ADI)*)

Omit "820-550,".

773 Subsection 995-1(1) (definition of *outward investing entity (non-ADI)*)

Omit "820-550,".

774 Subsection 995-1(1) (definition of *outward investor (financial)*)

Omit "820-550,".

775 Subsection 995-1(1) (definition of *outward investor (general)*)

Omit ", 820-550".

776 Subsection 995-1(1) (paragraph (b) of the definition of *safe harbour capital amount*)

Omit "and".

777 Subsection 995-1(1)

Insert:

> ***TFN withholding tax*** means tax payable in accordance with section 14-55 in Schedule 1 to the *Taxation Administration Act 1953*.
>
> Note: The tax is imposed by the *Income Tax (Deferred Interest Securities) (Tax File Number Withholding Tax) Act 1991*.

778 Subsection 995-1(1)

Insert:

> ***untaxable Commonwealth entity*** means an untaxable Commonwealth entity as defined by section 195-1 of the *A New Tax System (Goods and Services Tax) Act 1999*.

Income Tax (Deferred Interest Securities) (Tax File Number Withholding Tax) Act 1991

779 Section 4

Omit "221YHZR of the *Income Tax Assessment Act 1936*", substitute "section 14-55 in Schedule 1 to the *Taxation Administration Act 1953*".

Income Tax Rates Act 1986

780 Paragraph 3(2)(a)

Omit ", reduced notional income" (wherever occurring).

781 Paragraph 13(2)(b)

Omit "or Part I of Schedule 9, as the case requires,".

782 Subparagraphs 15(2)(a)(ii) and (b)(ii)

Omit "or Part II of Schedule 9, as the case requires,".

783 Clauses 1 and 2 of Part I of Schedule 10

Omit "or Part I of Schedule 9, as the case requires,".

784 Part II of Schedule 10

Omit "or Part II of Schedule 9, as the case requires,".

785 Clause 1 of Part I of Schedule 11

Omit "or Part I of Schedule 9, as the case requires,".

786 Sub-subparagraphs 3(c)(i)(B) and (C) of Part I of Schedule 11

Repeal the sub-subparagraphs, substitute:

(B) if sub-subparagraph (A) does not apply—the reduced taxable income; and

787 Paragraph 3(d) of Part I of Schedule 11

Omit ", reduced notional income".

788 Clause 1 of Part II of Schedule 11

Omit "or Part II of Schedule 9, as the case requires,".

789 Sub-subparagraphs 3(c)(i)(B) and (C) of Part II of Schedule 11

Repeal the sub-subparagraphs, substitute:

(B) if sub-subparagraph (A) does not apply—the reduced taxable income; and

790 Paragraph 3(d) of Part II of Schedule 11

Omit ", reduced notional income".

791 Clause 1 of Part I of Schedule 12

Omit "or Part I of Schedule 9, as the case requires,".

792 Clause 1 of Part II of Schedule 12

Omit "or Part II of Schedule 9, as the case requires,".

Income Tax (Transitional Provisions) Act 1997

793 Subsection 20-1(1)

Omit "(1)".

794 Subsection 20-105(1) (note 2)

Omit "are", substitute "were".

795 Subsection 20-105(2)

Before "subsection", insert "former".

796 Section 20-110

Before "section 59", insert "former".

797 Section 20-115 (table items 1 to 3)

Omit "Section", substitute "Former section".

798 Section 20-115 (table item 3)

Before "subsection", insert "former".

799 Section 20-115 (table item 4)

Omit "Section", substitute "Former section".

800 Section 20-115 (table item 4)

Before "subsection", insert "former".

801 Section 20-115 (table items 5 and 6)

Omit "Subsection", substitute "Former subsection".

802 At the end of Division 25

Add:

25-65 Local government election expenses

Section 25-65 of the *Income Tax Assessment Act 1997* applies to the 2006-07 income year and later income years, in relation to expenditure whenever incurred. In relation to expenditure incurred in the 2005-06 income year or an earlier income year, it applies as if:

(a) it had applied to all income years before the 2006-07 income year; and

(b) an allowable deduction for the expenditure under section 74A of the *Income Tax Assessment Act 1936* had been a deduction for the expenditure under section 25-65 of the *Income Tax Assessment Act 1997*.

Note: This section also has the result that, to the extent that a recoupment of the expenditure has been included in your assessable income by former subsections 74A(4) and (5) of the *Income Tax Assessment Act 1936*, the expenditure will be disregarded in applying the $1,000 per election deduction limit: see subsection 25-65(2) of the *Income Tax Assessment Act 1997*.

803 Section 34-5 (heading)

Repeal the heading, substitute:

34-5 Things done under former section 51AL of the *Income Tax Assessment Act 1936*

804 Subsection 34-5(1)

Before "section", insert "former"

805 Subsection 34-5(2) (table items 1 to 3, column headed "This:")

Before "subsection", insert "former".

806 Paragraph 40-50(1)(a)

Omit "; and", substitute "or could have deducted an amount under that Subdivision if you had used the road or building for the purpose of producing assessable income; and".

807 Subsection 40-70(2)

Before "section", insert "former".

808 Paragraph 40-230(1)(b)

Before "section", insert "former".

809 Subparagraph 40-285(2)(a)(ii)

Before "section", insert "former".

810 After section 40-288

Insert:

40-289 Surrendered firearms

If a balancing adjustment event for a firearm that you hold occurs because you surrender it after the commencement of this section under *firearms surrender arrangements, any amount by which its termination value exceeds its adjustable value is not included in your assessable income under subsection 40-285(1) of the *Income Tax Assessment Act 1997*.

811 Paragraph 40-525(b)

Before "section", insert "former".

812 Paragraph 40-645(3)(b)

Before "section", insert "former".

813 At the end of Division 40

Add:

Subdivision 40-J—Ships depreciated under section 57AM of the Income Tax Assessment Act 1936

Table of sections

40-830 Ships depreciated under section 57AM of the *Income Tax Assessment Act 1936*

40-830 Ships depreciated under section 57AM of the *Income Tax Assessment Act 1936*

(1) This section applies if:

(a) you have deducted or can deduct amounts for a ship under section 57AM of the *Income Tax Assessment Act 1936* as in force before its repeal by Schedule 1 to the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006*; and

(b) you hold the ship when this section commences.

(2) Division 40 of the *Income Tax Assessment Act 1997* applies to the ship after the commencement of this section.

(3) For the purposes of that application:

(a) the cost of the ship when this section commences is its cost under the *Income Tax Assessment Act 1936* just before that time; and

(b) the ship's adjustable value when this section commences is its depreciated value under the *Income Tax Assessment Act 1936* just before that time; and

(c) paragraphs 40-285(1)(a) and (2)(a) have effect as if amounts you have deducted or can deduct under section 57AM of the *Income Tax Assessment Act 1936*, as in force before its repeal, are taken to be part of the ship's decline in value under Subdivision 40-B of the *Income Tax Assessment Act 1997*.

814 Paragraph 70-10(2)(b)

Before "subsection", insert "former".

815 Subsection 70-10(3)

Before "subsection", insert "former".

816 Paragraph 70-10(4)(a)

Before "subsection", insert "former".

817 Subsection 70-55(2)

Before "section", insert "former".

818 Paragraph 70-55(3)(b)

Before "section", insert "former".

819 Section 70-55 (notes 1 and 2)

Omit "Section", substitute "Former section".

820 Subsection 70-70(1)

Before "Subdivision", insert "former".

821 Subsection 70-70(3) (heading)

Repeal the heading, substitute:

Effect of election under former subsection 31(5) of the Income Tax Assessment Act 1936 on valuation of interests in FIFs

822 Subsection 70-70(3)

Before "subsection 31(5)", insert "former".

823 Subsections 102-15(2) and (3)

Before "Part IIIA", insert "former".

824 Section 102-20 (definition of *capital gain*)

Before "Part IIIA", insert "former".

825 Section 102-20 (definition of *capital loss*)

Before "Part IIIA", insert "former".

826 Section 102-20 (definition of *net capital gain*)

Before "Part IIIA", insert "former".

827 Section 104-25

Before "section", insert "former".

828 Paragraph 104-40(a)

Before "Part IIIA", insert "former".

829 Paragraph 104-70(1)(b)

Before "section", insert "former".

830 Paragraph 104-70(1)(d)

Before "Division", insert "former".

831 Subsection 104-70(3)

Before "section", insert "former".

832 Section 104-135

Before "section", insert "former".

833 Subsection 104-175(1)

Before "section 160ZZO", insert "former".

834 Paragraph 104-175(2)(a)

Before "section", insert "former".

835 Paragraph 104-175(2)(b)

Before "paragraphs", insert "former".

836 Subsection 104-175(3)

Before "Part IIIA", insert "former".

837 Section 104-185 (heading)

Repeal the heading, substitute:

104-185 Change of status of replacement asset for a roll-over under Division 17A of former Part IIIA of the 1936 Act or Division 123 of the 1997 Act

838 Paragraph 104-185(a)

Before "Part IIIA", insert "former".

839 Section 104-190 (heading)

Repeal the heading, substitute:

104-190 Change of circumstances where a share or interest is a replacement asset for a roll-over under Division 17A of former Part IIIA of the 1936 Act or Division 123 of the 1997 Act

840 Paragraph 104-190(a)

Before "Part IIIA", insert "former".

841 Section 104-205

Before "section", insert "former".

842 Paragraph 108-5(b)

Before "section", insert "former".

843 Subsections 108-75(1) to (4)

Before "section", insert "former".

844 At the end of Division 112

Add:

Subdivision 112-B—Special rules

112-100 Effect of terminated gold mining exemptions

(1) This section affects how to work out a capital gain or capital loss you make from a CGT event that happens to a CGT asset after 31 December 1990 if:

(a) before 1 January 1991, you used the asset (other than on a prior holding of it) solely for the purpose of producing exempt income, and principally for the purpose of producing exempt income to which former paragraph 23(o) or former subsection 23C(1) of the *Income Tax Assessment Act 1936* (about income from producing or selling gold) applied; and

(b) you owned the asset continuously from the end of 31 December 1990 until the CGT event.

Capital gain

(2) For the purposes of working out a capital gain you make from the CGT event, if the asset's market value at the end of 31 December 1990 was more than its cost base at that time, the first element of its cost base at that time is that market value.

Capital loss

(3) The rest of this section has effect for the purposes of working out a capital loss you make from the CGT event.

(4) If the asset's market value at the end of 31 December 1990 was less than its reduced cost base at that time, the first element of its reduced cost base at that time is that market value.

(5) In applying section 110-55 of the *Income Tax Assessment Act 1997* (about reduced cost base):

(a) treat your notional deductions (within the meaning of Subdivision B or C of former Division 16H of Part III of the *Income Tax Assessment Act 1936*) as amounts you have deducted; and

(b) disregard the effect of former sections 159GZZO and 159GZZZ of that Act.

845 Section 121-15

Before "section", insert "former".

846 Subsections 121-25(1) and (2)

Before "subsection" (first occurring), insert "former".

847 Paragraph 126-100(1)(a)

Before "section", insert "former".

848 Paragraph 136-25(b)

Before "Part IIIA", insert "former".

849 Paragraph 136-25(b)

Before "section", insert "former".

850 Paragraphs 149-5(1)(c) and (2)(b)

Before "Part IIIA", insert "former".

851 Section 170-220

Before "subsection", insert "former".

852 Section 170-225

Before "subsections", insert "former".

853 Section 201-1

Before "Part IIIAA", insert "Former".

854 Section 205-1

Omit "account under Part IIIAA", substitute "account under former Part IIIAA".

855 Subparagraphs 205-1(b)(i) and (ii)

Before "Part IIIAA", insert "former".

856 Section 205-5

Before "Part IIIAA", insert "former".

857 Section 205-5 (note)

Before "section", insert "former".

858 Subsection 205-10(1)

Before "Part IIIAA", insert "former".

859 Subsection 205-10(2)

Before "Part IIIAA", insert "former".

860 Paragraph 205-10(2)(a)

Before "section", insert "former".

861 Subsection 205-15(1)

Before "Part IIIAA", insert "former".

862 Subsection 205-15(2)

After "class under", insert "former".

863 Paragraph 205-15(2)(a)

After "company under", insert "former".

864 Subsection 205-15(4)

After "class under", insert "former".

865 Paragraph 205-15(4)(a)

After "company under", insert "former".

866 Subparagraph 205-75(1)(b)(i)

Omit "section 160AQK or of", substitute "former section 160AQK or of former section".

867 Section 205-80 (heading)

Repeal the heading, substitute:

205-80 Application of Subdivision C of Division 5 of former Part IIIAA of the *Income Tax Assessment Act 1936*

868 Subsection 205-80(1)

After "Division 5", insert "of former Part IIIAA".

869 Subsection 205-80(1)

Before "section" (second occurring), insert "former".

870 Subsection 205-80(2)

Omit "Section", substitute "Former section".

871 Subsection 208-111(1)

Before "Part IIIAA", insert "former".

872 Subsection 208-111(2)

Before "Part IIIAA", insert "former".

873 Subsection 208-111(2) (note)

Before "sections", insert "former".

874 Subsection 208-111(3)

Before "Part IIIAA", insert "former".

875 Subsection 208-111(3) (note)

Before "sections", insert "former".

876 Subsection 208-111(4)

Before "Part IIIAA", insert "former".

877 Subsection 208-111(4) (note)

Before "section 160AQCNO", insert "former".

878 Subsection 208-111(5)

Before "Part IIIAA", insert "former".

879 Subsection 208-111(5) (note)

Before "section 160AQCNO", insert "former".

880 Section 210-1

After "PDF under", insert "former".

881 Subparagraphs 210-1(b)(i) and (ii)

Before "Part", insert "former".

882 Section 210-5

Before "Part", insert "former".

883 Subsections 210-10(1) and (2)

Before "Part", insert "former".

884 Paragraph 210-10(2)(a)

Omit "arises under", substitute "arose under former".

885 Subsection 210-15(1)

Before "Part IIIAA", insert "former".

886 Subsection 210-15(2)

Omit "surplus under Part IIIAA", substitute "surplus under former Part IIIAA".

887 Paragraph 210-15(2)(a)

Before "Part IIIAA", insert "former".

888 Subsection 210-15(4)

Omit "deficit under Part IIIAA", substitute "deficit under former Part IIIAA".

889 Paragraph 210-15(4)(a)

Before "Part IIIAA", insert "former".

890 Paragraph 219-40(1)(a)

Before "section", insert "former".

891 Paragraph 219-45(1)(a)

Before "section", insert "former".

892 Subsection 219-45(2) (note)

Before "sections 160AQCNCE", insert "former".

893 Subsection 219-45(2) (note)

Before "section 160AQCNCE", insert "former".

894 Subsection 219-45(2) (note)

Before "section 160APVN", insert "former".

895 Section 375-105

Before "section", insert "former".

896 Subsection 701-50(3) (table item 1, column headed "If, because of the circumstances described in paragraphs (2)(a) and (b):")

Before "section", insert "former".

897 Subsection 701-50(3) (table item 1, column headed "If, because of the circumstances described in paragraphs (2)(a) and (b):")

Before "Subdivision", insert "former".

National Rail Corporation Agreement Act 1992

898 Paragraph 8(d)

Omit "or of paragraph 23(d) of the *Income Tax Assessment Act 1936*".

Ships (Capital Grants) Act 1987

899 Paragraph 25(b)

Before "section", insert "former".

Snowy Mountains Engineering Corporation Limited Sale Act 1993

900 Subsection 37(2)

Before "sections", insert "former".

901 Subsection 37(5)

Omit "that Act", substitute "the *Income Tax Assessment Act 1997*".

Social Security Act 1991

902 Subsection 10A(2) (note to the definition of *associate*)

Omit "26AB", substitute "318".

903 Paragraph 10B(4)(c)

Omit "Division 1AA of Part 3 of the *Income Tax Assessment Act 1936* or".

904 Subsection 23(1) (definition of *exempt spousal maintenance income*)

Omit "paragraph 23(1) or".

905 Subsection 23(1) (note to the definition of *exempt spousal maintenance income*)

Omit "paragraph 23(1) or".

906 Subsection 1061ZZFG(1)

Omit "(1)".

907 Subsection 1061ZZFG(1)

Omit "Division 1 of Part VI", substitute "section 204".

908 Subsection 1061ZZFG(1) (note 1)

Repeal the note.

909 Subsection 1061ZZFG(1) (note 2)

Omit "Note 2", substitute "Note".

910 Subsection 1061ZZFG(2)

Repeal the subsection.

911 Paragraph 1075(1)(a)

Omit "section 51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "section 8-1 of the *Income Tax Assessment Act 1997*".

912 Paragraphs 1075(1)(b) and (ba)

Repeal the paragraphs, substitute:

(b) amounts that relate to the business and can be deducted in respect of plant (within the meaning of the *Income Tax Assessment Act 1997*) under Division 40 of that Act; and

913 Subsections 1075(3) and (4)

Omit "51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate,", substitute "8-1 of the *Income Tax Assessment Act 1997*".

914 Subparagraph 1185K(3)(d)(i)

Omit "51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "8-1 of the *Income Tax Assessment Act 1997*".

915 Subparagraphs 1185K(3)(d)(ii) and (iia)

Repeal the subparagraphs, substitute:

(ii) amounts that relate to a relevant farm asset and can be deducted in respect of plant (within the meaning of the *Income Tax Assessment Act 1997*) under Division 40 of that Act; and

916 Paragraph 1208B(1)(a)

Omit "51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "8-1 of the *Income Tax Assessment Act 1997*".

917 Paragraphs 1208B(1)(b) and (ba)

Repeal the paragraphs, substitute:

(b) amounts that relate to the business or investment and can be deducted in respect of plant (within the meaning of the *Income Tax Assessment Act 1997*) under Division 40 of that Act; and

918 Paragraph 1209C(1)(a)

Omit "section 51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "section 8-1 of the *Income Tax Assessment Act 1997*".

919 Paragraphs 1209C(1)(b) and (ba)

Repeal the paragraphs, substitute:

(b) amounts that relate to the primary production enterprise and can be deducted in respect of plant (within the meaning of the *Income Tax Assessment Act 1997*) under Division 40 of that Act; and

Student Assistance Act 1973

920 Subsection 12ZN(1)

Omit "(1)".

921 Subsection 12ZN(1)

Omit "Division 1 of Part VI", substitute "section 204".

922 Subsection 12ZN(1) (note 1)

Repeal the note.

923 Subsection 12ZN(1) (note 2)

Omit "Note 2", substitute "Note".

924 Subsection 12ZN(2)

Repeal the subsection.

Superannuation Guarantee (Administration) Act 1992

925 Subsection 12(10)

Repeal the subsection, substitute:

(10) A person covered by paragraph 12-45(1)(e) in Schedule 1 to the *Taxation Administration Act 1953* (about members of local governing bodies subject to PAYG withholding) is an employee of the body mentioned in that paragraph.

926 Subparagraph 24(4)(a)(ii)

Omit "subsection 26AAB(14)", substitute "section 318".

927 Subparagraph 25(2)(a)(ii)

Omit "subsection 26AAB(14)", substitute "section 318".

928 Section 29

Omit "paragraph 23(s) of the *Income Tax Assessment Act 1936* or".

Taxation Administration Act 1953

929 Subsection 3E(11) (definition of *company*)

Omit "same meaning as in section 6 of the *Income Tax Assessment Act 1936*", substitute "meaning given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*".

930 Part IIA (heading)

Repeal the heading, substitute:

Part IIA—The general interest charge

931 Section 8AAA

Omit "Division", substitute "Part".

932 Paragraph 8J(2)(ga)

Omit "79(1)(b) or (c) or".

933 Paragraph 8J(2)(k)

Omit all the words after "*1985*)".

934 Paragraph 8J(18)(a)

Repeal the paragraph, substitute:

(a) a depositor gives a financial institution a statement that a specified amount or no amount will be included in the depositor's assessable income under section 393-15 of Schedule 2G to the *Income Tax Assessment Act 1936* (about repayments of farm management deposits); and

935 Subsection 8J(19)

Omit "Division 6A of Part VI of", substitute "Schedule 2G to".

936 Subsection 8J(19)

Omit "that Division", substitute "that Schedule".

937 Sub-subparagraph 8WC(1)(b)(iii)(B)

Omit "under subsection 221YHZD(1B) of that Act, or".

938 Sub-subparagraph 8WC(1)(b)(iii)(C)

Omit "221YHZR of that Act", substitute "14-55 in Schedule 1 to this Act".

939 Section 8ZE (note)

Omit "226G of the *Income Tax Assessment Act 1936*", substitute "284-75 in Schedule 1".

940 Subsection 14ZS(2)

Before "Part IIIAA", insert "former".

941 Subsection 14ZS(2)

Before "section 163B", insert "former".

942 Subsection 14ZS(2)

Before "Part VII", insert "former".

943 Paragraph 14ZS(2)(a)

Before "section", insert "former".

944 At the end of section 11-1 in Schedule 1

Add:

; and (f) *TFN withholding tax.

945 Paragraph 12-45(1)(e) in Schedule 1

Repeal the paragraph, substitute:

(e) a member of a *local governing body where there is in effect, in accordance with section 446-5, a unanimous resolution by the body that the remuneration of members of the body be subject to withholding under this Part.

946 Subsection 12-45(1) in Schedule 1 (note)

Omit "subsection (2) and".

947 Subsection 12-45(2) in Schedule 1

Omit all the words after "member of a", substitute "*local governing body unless it is one to which paragraph (1)(e) applies.".

948 Subsection 12-140(2) in Schedule 1 (note)

Omit "12-155", substitute "12-150".

949 Section 12-150 in Schedule 1

Repeal the section, substitute:

12-150 Limited application of section 12-140 to payment under financial arrangement

(1) This section limits the extent to which section 12-140 applies to a payment in respect of a *Part VA investment if the investment is a qualifying security (within the meaning of Division 16E of Part III of the *Income Tax Assessment Act 1936* (about gains accruing on securities)) and:

(a) is of a kind mentioned in item 1 or 2 of the table in subsection 202D(1) of that Act; or

(b) is of a kind mentioned in item 3 of that table and is non-transferable.

Note: Section 202D of the *Income Tax Assessment Act 1936* lists the investments in connection with which tax file numbers are to be quoted.

(2) Section 12-140 applies to the payment only to the extent that is covered by one or both of these paragraphs:

(a) so much of the payment as consists of periodic interest (within the meaning of Division 16E of Part III of the *Income Tax Assessment Act 1936*);

(b) if the payment became payable at the end of the term (within the meaning of that Division) of the investment—so much of the payment as does *not* exceed what section 159GQ of that Act would include in the *investor's assessable income for the income year in which that term ended.

Note: This limitation ensures that an amount is not withheld from payment of an amount in respect of which TFN withholding tax is payable. See Subdivision 14-B.

(3) The adoption (under section 18 of the *Income Tax Assessment Act 1936*) of an accounting period ending on a day other than 30 June is disregarded for the purposes of:

(a) paragraph (2)(b) of this section; and

(b) the application of Division 16E of Part III of that Act for the purposes of that paragraph.

950 Section 12-255 in Schedule 1

Repeal the section, substitute:

12-255 Interest payment derived by lender in carrying on business through overseas permanent establishment

An entity must withhold an amount from interest (within the meaning of Division 11A of Part III of the *Income Tax Assessment Act 1936*) it pays if it has been notified under section 12-260 of this Act that this section applies to the interest.

Note: For limits on the amount to be withheld, see section 12-300.

951 Division 14 in Schedule 1 (heading)

Repeal the heading, substitute:

Division 14—Non-cash benefits, and accruing gains, for which amounts must be paid to the Commissioner

952 Before section 14-1 in Schedule 1

Insert:

Subdivision 14-A—Non-cash benefits

953 Section 14-1 in Schedule 1 (heading)

Repeal the heading, substitute:

14-1 Object of this Subdivision

954 Section 14-1 in Schedule 1

Omit "this Division", substitute "this Subdivision".

955 At the end of Division 14 in Schedule 1

Add:

Subdivision 14-B—Accruing gains

14-50 Object of this Subdivision

The object of this Subdivision is to put the parties to a *Part VA investment with an accruing gain in a position similar to what would have been their position under Subdivision 12-E (Payments where TFN or ABN not quoted) if the *investment body had paid the gain in money to the *investor at the end of the income year.

14-55 Liability for TFN withholding tax

(1) *TFN withholding tax is payable if:

(a) in relation to a *Part VA investment, an amount (the ***accrued gain***) is included in the *investor's assessable income for an income year under section 159GQ of the *Income Tax Assessment Act 1936* (about gains accruing on securities); and

(b) the investment:

(i) is of a kind mentioned in item 1 or 2 of the table in subsection 202D(1) of that Act; or

(ii) is of a kind mentioned in item 3 of that table and is non-transferable; and

(c) the term of the investment does not end during the income year; and

(d) section 12-140 would have required the *investment body to withhold an amount (the ***TFN withholding amount***) from a payment of the accrued gain to the investor, if the investment body had made the payment at the end of the income year and section 12-150 had not been enacted.

Note: Section 202D of the *Income Tax Assessment Act 1936* lists the investments in connection with which tax file numbers are to be quoted.

(2) The amount of *TFN withholding tax is equal to the TFN withholding amount.

(3) The *TFN withholding tax is payable jointly and severally by the *investor and the *investment body.

(4) However, if the *investment body is the Commonwealth or an *untaxable Commonwealth entity:

(a) the *TFN withholding tax is payable by the *investor; and

(b) the investor is taken to have authorised the investment body to pay the TFN withholding tax on the investor's behalf.

(5) The *TFN withholding tax is due and payable at the end of 21 days after the end of the income year referred to in paragraph (1)(a).

Note 1: When it is due and payable, the TFN withholding tax is payable to the Commissioner: see paragraph 255-5(1)(b).

Note 2: An entity by whom it is payable must pay it to the Commissioner in accordance with Subdivision 16-B: see subsection 16-70(3). If any of it remains unpaid, the entity is liable to pay general interest charge: see section 16-80.

Note 3: The Commissioner may defer the time at which TFN withholding tax becomes due and payable: see section 255-10.

(6) The adoption (under section 18 of the *Income Tax Assessment Act 1936*) of an accounting period ending on a day other than 30 June is disregarded for the purposes of:

(a) this section; and

(b) the application of Division 16E of Part III of that Act for the purposes of this section.

14-60 Investment body may recover TFN withholding tax from investor

(1) The *investment body may recover from the *investor as a debt any of the *TFN withholding tax that it pays.

(2) The *investment body is entitled to set off an amount that it can recover from the *investor under this section against:

(a) a debt due by it to the investor; or

(b) an amount that is accruing to the investor, or stands to the investor's credit, in respect of the *Part VA investment, even if the amount is not yet due.

14-65 Application of rules in Division 18

These provisions:

(a) subsection 18-15(1) and sections 18-20 and 18-25 (about credits for amounts withheld from withholding payments); and

(b) section 18-80 (about refunds when exemption declaration not given);

apply as if any of the *TFN withholding tax that has been paid were an amount withheld under subsection 12-140(1) from a *withholding payment covered by that subsection and made to the *investor during:

(c) unless the *investor has adopted (under section 18 of the *Income Tax Assessment Act 1936*) an accounting period ending on a day other than 30 June—the income year referred to in paragraph 14-55(1)(a); or

(d) if the investor has adopted such an accounting period—the income year in which the TFN withholding tax is paid.

Note: Unless the investor has adopted such an accounting period, the credit under section 18-15, 18-20 or 18-25 will be in respect of the income year before the one in which the TFN withholding tax is paid.

14-75 Overpayment of TFN withholding tax

If *TFN withholding tax has been overpaid:

(a) the Commissioner must refund the amount overpaid; and

(b) the *investor is not entitled to a credit under section 18-15, 18-20 or 18-25 in respect of the amount overpaid.

14-85 Other laws do not exempt from TFN withholding tax

(1) A provision of a law passed before the commencement of this section that purports to exempt an entity from liability to pay *TFN withholding tax, or to pay taxes that include TFN withholding tax, does not exempt that entity from liability to pay TFN withholding tax.

(2) A provision of a law passed at or after the commencement of this section that purports to exempt an entity from liability to pay taxes under the laws of the Commonwealth, or to pay certain taxes under those laws that include *TFN withholding tax, is not to be interpreted as exempting the entity from liability to pay TFN withholding tax, unless it specifically mentions TFN withholding tax.

956 Subsection 16-70(2) in Schedule 1 (not including the note)

Repeal the subsection, substitute:

(2) An entity that must pay an amount to the Commissioner under Division 13 or Subdivision 14-A must do so in accordance with section 16-85.

(3) An entity that must pay an amount to the Commissioner under Subdivision 14-B must do so in accordance with sections 16-80 and 16-85.

957 Section 16-80 in Schedule 1

After "16-70(1)" insert "or (3)".

958 Paragraph 16-95(1)(a) in Schedule 1

Omit "because of section 16-125".

959 Paragraph 16-100(1)(a) in Schedule 1

Omit "because of section 16-135".

960 Subsection 18-30(2) in Schedule 1 (note)

Omit "section 221YSA", substitute "section 128NBA".

961 Subsection 45-115(1) in Schedule 1

Omit "For the amount of an instalment you are liable to pay for 2000-01 or 2001-02, see section 45-175.".

962 Paragraph 45-235(1)(a) in Schedule 1

Before "paragraph", insert "former".

963 Subsection 45-235(2) in Schedule 1

Before "paragraph", insert "former".

964 Subsection 45-355(2) in Schedule 1

Omit "or 45-175(1)(b)".

965 Subsection 45-525(3) in Schedule 1

Omit "or 45-175(1)(b)".

966 Subsection 250-10(2) in Schedule 1 (after table item 90)

Insert:

95	TFN withholding tax	14-55 in Schedule 1	*Taxation Administration Act 1953*

967 Subsection 250-10(2) (after table item 155)

Insert:

157	trust recoupment tax	4(1), so far as it applies section 204 of the *Income Tax Assessment Act 1936*	*Trust Recoupment Tax Assessment Act 1985*

968 At the end of subsection 265-45(2) in Schedule 1

Add:

Note: Item 15 of Schedule 6 to the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006* has the effect that, in addition to its normal application in relation to tax-related liabilities arising on or after 1 July 2000, subsection (2) also applies to such liabilities arising before that date, where amounts of the liabilities are paid after the commencement of that item.

969 Subsection 340-10(2) in Schedule 1 (table item 3, column headed "Provision(s)")

Omit "or subsections 204(3),", substitute ", subsection 204(3) or former subsection".

970 At the end of Part 5-45 in Schedule 1

Add:

Division 446—Local governing bodies

Guide to Division

446-1 What this Division is about

A local governing body can resolve that its members are subject to Pay As You Go withholding. This also results in the members being treated as employees for a wide range of other taxation purposes.

Table of sections

Operative provisions

446-5 Requirements for unanimous resolutions by local governing bodies

Operative provisions

446-5 Requirements for unanimous resolutions by local governing bodies

When section applies

(1) This section applies to the following unanimous resolutions made by a *local governing body:

(a) a resolution that the remuneration of members of the body be subject to withholding under Part 2-5 (about Pay As You Go withholding);

(b) a resolution cancelling a resolution covered by paragraph (a).

Note: Item 14 of Schedule 6 to the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006* provides that this section also applies to resolutions in force just before the repeal of the predecessor of this section (section 221B of the *Income Tax Assessment Act 1936*).

When resolution takes effect

(2) The resolution must specify a day as the day on which the resolution takes effect. The specified day must be within the 28-day period beginning on the day after the day on which the resolution was made.

Resolution not affected by change in membership of body

(3) The resolution continues in force in spite of a change in the membership of the *local governing body.

Commissioner to be notified of resolution

(4) The *local governing body must give written notice of the resolution to the Commissioner within 7 days after the resolution was made.

Eligible local governing bodies to be notified in Gazette

(5) If the Commissioner is notified of the resolution, the Commissioner must cause to be published in the *Gazette* a notice setting out:

(a) the name of the *local governing body; and

(b) the day on which the resolution takes effect.

When resolution applies for purposes of affected provisions

(6) This table sets out when the resolution applies for the purposes of particular provisions whose operation it affects.

When the resolution applies

Item	If the resolution affects the operation of ...	the resolution applies to ...
1	section 12-45	amounts that become payable after the day on which the resolution takes effect
2	Subdivision AB of Division 17 of Part III of the *Income Tax Assessment Act 1936* (about tax offset for lump sum payments in arrears)	*ordinary income *derived, and amounts that become *statutory income, after the day on which the resolution takes effect
3	sections 26-30 and 34-5 of the *Income Tax Assessment Act 1997* (about deductions for relatives' travel expenses and non-compulsory uniforms)	expenditure incurred after the day on which the resolution takes effect
4	Divisions 28 and 900 of the *Income Tax Assessment Act 1997* (about car expenses and substantiation)	expenses incurred after the day on which the resolution takes effect
5	section 130-90 of the *Income Tax Assessment Act 1997* (about capital gains tax and employee share trusts)	*shares and rights to which a beneficiary becomes absolutely entitled after the day on which the resolution takes effect

When the resolution applies		
Item	**If the resolution affects the operation of ...**	**the resolution applies to ...**
6	provisions of the *Fringe Benefits Tax Assessment Act 1986* relating to assessments	(a) in the case of a loan benefit within the meaning of the *Fringe Benefits Tax Assessment Act 1986*—a loan made after the day on which the resolution takes effect; (b) in the case of a housing benefit within the meaning of that Act—the subsistence, after the day on which the resolution takes effect, of the housing right concerned; (c) in the case of a residual benefit within the meaning of that Act that is *provided during a period—so much of the period as occurs after the day on which the resolution takes effect; (d) any other *fringe benefit provided after the day on which the resolution takes effect.
7	Division 4 of Part II of the *Income Tax Rates Act 1986* (about pro-rating the tax-free threshold)	amounts that become assessable income after the day on which the resolution takes effect
8	the provisions of the *Child Support (Registration and Collection) Act 1988*	*ordinary income *derived, and amounts that become *statutory income, after the day on which the resolution takes effect
9	section 9-20 of the *A New Tax System (Goods and Services Tax) Act 1999* (about the meaning of ***enterprise***)	activities, or series of activities, done after the day on which the resolution takes effect
10	Division 111 of the *A New Tax System (Goods and Services Tax) Act 1999* (about reimbursement of employees)	reimbursements made after the day on which the resolution takes effect

Taxation (Interest on Overpayments and Early Payments) Act 1983

971 Subsection 3(1) (paragraph (b) of the definition of *income tax crediting amount*)

Before "section", insert "former".

972 At the end of subparagraph 8A(1)(a)(vb)

Add "and".

973 Paragraph 8A(1)(b)

Repeal the paragraph, substitute:

(b) the payment is made more than 14 days before the day (the ***appropriate due day***) on which the tax, debt, interest, amount or instalment concerned becomes due and payable;

974 Subsection 8A(2)

Omit "or section 20B of the *Loan (Income Equalisation Deposits) Act 1976*".

975 Paragraphs 8B(1)(a) and (b)

Omit "a relevant entity, an instalment taxpayer or".

976 Section 8C

Omit "such annual rate or rates as are provided for by section 214A of the Tax Act", substitute "the base interest rate (within the meaning of the Tax Act)".

977 Paragraphs 8E(1)(a) and (2)(a)

Omit "a relevant entity, an instalment taxpayer or".

978 Paragraph 8G(1)(a)

Omit "a relevant entity, an instalment taxpayer or".

Note: The heading to section 8G is altered by omitting "**relevant entities, instalment taxpayers and**".

979 Paragraphs 8G(1)(e) and (f)

Repeal the paragraphs, substitute:

(e) if the person furnishes the return of income for the year of income 30 days or more before the due date for payment of the assessed tax—the first crediting occurs 30 days or more after the day on which the person furnishes the return; and

(f) if the person furnishes the return of income for the year of income after 30 days or more before the due date for payment of the assessed tax—the first crediting occurs after the due date for payment of the assessed tax;

980 Paragraph 8G(2)(a)

Omit "a relevant entity, an instalment taxpayer or".

981 Paragraph 8H(3)(d)

Repeal the paragraph, substitute:

(d) on so much of the excess as is not attributable to payments mentioned in paragraph (b), for the period from the beginning of the due date for payment of assessed tax until the end of the day on which the later crediting occurs.

Note: The heading to section 8H is altered by omitting "**relevant entities, instalment taxpayers and**".

982 Section 8I

Omit "such annual rate or rates as are provided for by section 214A of the Tax Act", substitute "the base interest rate (within the meaning of the Tax Act)".

983 Sections 8P, 8T, 8X and 8ZB

Omit "such annual rate or rates as are provided for by section 214A of the Income Tax Assessment Act", substitute "the base interest rate (within the meaning of the Tax Act)".

984 Paragraph 9(6)(b)

Omit "an offset", substitute "a tax offset".

985 Subsection 9(7)

Repeal the subsection, substitute:

(7) In subsection (6), ***franking deficit tax*** and ***tax offset*** have the meanings given by subsection 995-1(1) of the *Income Tax Assessment Act 1997*.

986 Paragraph 10(1)(a)

Omit "if paragraph (aa) does not apply—".

987 Sub-subparagraph 10(1)(a)(iii)(A)

Omit ", or 105,".

988 At the end of sub-subparagraphs 10(1)(a)(iii)(A) and (AA)

Add "or".

989 At the end of sub-subparagraph 10(1)(a)(iii)(D)

Add "and".

990 Paragraph 10(1)(b)

Omit "such annual rate or rates as are provided for by section 214A of the Tax Act", substitute "the base interest rate (within the meaning of the Tax Act)".

991 Subparagraph 12A(1)(a)(i)

Omit ", section 170AA, subsection 204(3), subsection 221AZMAA(1), subsection 221AZP(1), subsection 221YD(3) and section 221YDB", substitute "and subsection 204(3)".

992 Sub-subparagraph 12A(1)(a)(iv)(E)

Omit "or", substitute "and".

993 Subsection 12A(2)

Omit "or section 20B of the *Loan (Income Equalisation Deposits) Act 1976*".

994 Section 12C

Omit "such annual rate or rates as are provided for by section 214A of the Tax Act", substitute "the base interest rate (within the meaning of the Tax Act)".

995 Section 12AE

Omit "annual rate or rates provided for in section 214A of the Tax Act", substitute "base interest rate (within the meaning of the Tax Act)".

Trust Recoupment Tax Assessment Act 1985

996 Subsection 3(1) (definition of *associate*)

Omit "section 26AAB", substitute "section 318".

997 Subsection 3(1) (definition of *applied penalty tax*)

Omit "additional tax under Part VII of the Assessment Act", substitute "a penalty under Part 4-25 in Schedule 1 to the *Taxation Administration Act 1953*".

998 Subsection 3(1) (definition of *late payment tax*)

Omit "additional tax under section 207 of the Assessment Act", substitute "general interest charge under Part IIA of the *Taxation Administration Act 1953*".

999 Subsection 4(1)

Omit "Division 1 of Part VI", substitute "section 204".

1000 Subsection 4(1)

Omit "and regulations made under that Act", substitute "Part IIA of, and Part 4-15 in Schedule 1 to, the *Taxation Administration Act 1953*, and regulations made under those Acts".

1001 Subsection 4(2)

After "Assessment Act", insert "or of the *Taxation Administration Act 1953*".

1002 Subsection 4(4)

After "Assessment Act", insert "or section 3C of the *Taxation Administration Act 1953*".

1003 Subsection 4(6)

Omit "section 209 of the Assessment Act, or subsection 255-5(2) in Schedule 1 to the *Taxation Administration Act 1953*,", substitute "subsection 255-5(2) in Schedule 1 to the *Taxation Administration Act 1953*".

1004 Subsection 4(9)

After "Assessment Act", insert " or of the *Taxation Administration Act 1953*".

1005 Paragraph 7(8)(b)

Omit "and Division 4 of Part VI".

1006 Subsection 10(2)

Omit "section 209 of the Assessment Act", substitute "Part 4-15 in Schedule 1 to the *Taxation Administration Act 1953*".

Veterans' Entitlements Act 1986

1007 Paragraph 46C(1)(a)

Omit "51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "8-1 of the *Income Tax Assessment Act 1997*".

1008 Paragraph 46C(1)(b)

Repeal the paragraph.

1009 Subparagraph 49J(3)(f)(i)

Omit "51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "8-1 of the *Income Tax Assessment Act 1997*".

1010 Subparagraph 49J(3)(f)(ii)

Repeal the subparagraph.

1011 Paragraph 52ZZO(1)(a)

Omit "51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "8-1 of the *Income Tax Assessment Act 1997*".

1012 Paragraph 52ZZO(1)(b)

Repeal the paragraph.

1013 Paragraph 52ZZZO(1)(a)

Omit "51 of the *Income Tax Assessment Act 1936* or section 8-1 of the *Income Tax Assessment Act 1997*, as appropriate", substitute "8-1 of the *Income Tax Assessment Act 1997*".

1014 Paragraph 52ZZZO(1)(b)

Repeal the paragraph.

1015 Subsections 58J(1) and (2)

Omit "section 218 of the Income Tax Assessment Act, or".

1016 Subsection 58J(2) (note)

Repeal the note.

Part 2—Amendments consequential on repeal of heading to Division 1 of Part IIA of the Taxation Administration Act 1953

1017 Amendments

The specified provisions and parts of provisions of the Acts listed in this Part are amended by omitting "Division 1 of".

A New Tax System (Commonwealth-State Financial Arrangements) Act 1999

1018 Section 4 (definition of *general interest charge*)

A New Tax System (Goods and Services Tax) Act 1999

1019 Section 195-1 (definition of *general interest charge)*

Fringe Benefits Tax Assessment Act 1986

1020 Subsection 93(2) (note)

1021 Subsection 136(1) (definition of *general interest charge)*

General Interest Charge (Imposition) Act 1999

1022 Subsection 3(2) (definition of *general interest charge*)

Income Tax Assessment Act 1936

1023 Section 6 (definition of *general interest charge*)

1024 Section 102UP (note)

1025 Subsection 128C(3) (note)

1026 Section 163AA (note)

1027 Subsection 170AA(4) (note)

1028 Subsection 172(2) (note 1)

1029 Subsection 204(3) (note 1)

1030 Subsection 215(6) (note 1)

1031 Subsection 216(3) (note 1)

1032 Subsection 220(5) (note 1)

1033 Subsection 222AJA(3) (note)

1034 Subsection 251M(1) (note 1)

1035 Subsection 254(2) (note 1)

1036 Subsection 255(4) (note 1)

1037 Section 271-80 in Schedule 2F (note)

Income Tax Assessment Act 1997

1038 Section 214-155 (note)

1039 Subsection 995-1(1) (definition of *general interest charge*)

Income Tax (Transitional Provisions) Act 1997

1040 Section 214-105 (note)

Petroleum Resource Rent Tax Assessment Act 1987

1041 Section 2 (definition of *general interest charge*)

1042 Subsection 65(1) (note)

1043 Subsection 85(1) (note)

Product Grants and Benefits Administration Act 2000

1044 Section 5 (definition of *general interest charge*)

1045 Subsection 35(2) (note)

Superannuation Contributions Tax (Assessment and Collection) Act 1997

1046 Subsection 21(1) (note)

1047 Section 22 (note)

1048 Subsection 25(1) (note)

1049 Subsection 25A(2) (note)

1050 Section 43 (definition of *general interest charge*)

Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997

1051 Subsection 18(1) (note)

1052 Subsection 21(1) (note)

1053 Section 38 (definition of *general interest charge*)

Superannuation (Government Co-contribution for Low Income Earners) Act 2003

1054 Subsection 25(4) (definition of *general interest charge*)

Superannuation Guarantee (Administration) Act 1992

1055 Section 6 (definition of *general interest charge*)

1056 Subsection 49(1) (note)

Taxation Administration Act 1953

1057 Section 2 (definition of *general interest charge)*

1058 Subsection 40(1) (note)

1059 Section 298-25 in Schedule 1 (note)

Termination Payments Tax (Assessment and Collection) Act 1997

1060 Subsection 13(1) (note)

1061 Subsection 16(1) (note)

1062 Subsection 16A(2) (note)

1063 Section 31 (definition of *general interest charge*)

Schedule 3—Inoperative provisions repealed on 1 January 2008

1 Repeal

The provisions and parts of provisions specified in this Schedule are repealed.

Income Tax Assessment Act 1936

2 Subsection 6(1) (definition of *live stock*)

3 Subdivision B of Division 2 of Part III

4 Subsection 45(2) (second sentence)

5 Subsection 45C(1) (second sentence)

6 Sections 46A to 46E

7 Subsection 102L(2)

8 Subsection 102T(2)

9 Section 128EA

10 Division 8 of Part IX

Income Tax Assessment Act 1997

11 Subsection 30-45(2) (table item 4.2.30)

12 Subsection 30-50(2) (table items 5.2.1, 5.2.21, 5.2.22 and 5.2.25)

13 Subsection 30-80(2) (table items 9.2.10, 9.2.13 and 9.2.14)

14 Section 30-105 (table items 13.2.8 to 13.2.10)

15 Subsection 30-315(2) (table items 9A, 38A, 49A, 50D, 75A, 97AAAA, 97AAA, 105A, 110, 110AA and 112AF)

16 Paragraph 820-40(1)(c) (including the note)

17 Section 820-591

18 Section 820-617

19 Subsection 995-1(1) (notes 1 and 2 to paragraph (b) of the definition of *value*)

Income Tax (Transitional Provisions) Act 1997

20 Sections 70-35 to 70-41

Taxation Administration Act 1953

21 Subsection 446-5(1) in Schedule 1 (note)

Schedule 4—Consequential amendments relating to Schedule 3 repeals

Income Tax Assessment Act 1936

1 Subsection 6BA(3)

Omit all the words from and including "If" to and including "46A;", substitute "If the bonus shares are issued for no consideration and are not a dividend or taken to be a dividend,".

2 Paragraph 126(1)(c)

Omit "none of sections 128EA,", substitute "neither of sections".

3 Subparagraph 128B(3)(h)(iv)

Omit "128EA,".

4 Section 128D

Omit "section 128EA,".

5 Paragraph 268-40(3)(b) in Schedule 2F (note)

Omit "section 36AAA, and".

Income Tax Assessment Act 1997

6 Paragraph 165-60(3)(b) (note)

Omit "of this Act and section 36AAA of the *Income Tax Assessment Act 1936*".

7 Paragraphs 705-50(2)(b) and (3)(b)

Omit "section 46A or former section 46", substitute "former section 46 or 46A".

8 Subsection 705-190(2)

Omit "section 46A or former section 46", substitute "former section 46 or 46A".

9 Paragraph 820-40(1)(b)

Omit “and”.

10 Section 820-601

Omit “820-617”, substitute “820-615”.

11 Subsections 820-603(6) and 820-611(2)

Omit “820-617”, substitute “820-615”.

Income Tax (Transitional Provisions) Act 1997

12 Paragraph 70-10(4)(b)

Before “Subdivision”, insert “former”.

Schedule 5—Inoperative Acts repealed on Royal Assent

Part 1—Repeals

1 Repeal of Acts

The Acts specified in this Part are repealed.

A New Tax System (End of Sales Tax) Act 1999

A New Tax System (Wine Equalisation Tax and Luxury Car Tax Transition) Act 1999

Debits Tax Act 1982

Debits Tax Administration Act 1982

Income Tax (Deficit Deferral) Act 1994

Income Tax (Untainting Tax) Act 1998

New Business Tax System (Venture Capital Deficit Tax) Act 2000

Pay-Roll Tax Assessment Act 1941

Pay-Roll Tax (Termination Of Commonwealth Tax) Act 1971

Sales Tax Act (No. 1) 1930

Sales Tax Act (No. 2) 1930

Sales Tax Act (No. 3) 1930

Sales Tax Act (No. 4) 1930

Sales Tax Act (No. 5) 1930

Sales Tax Act (No. 6) 1930

Sales Tax Act (No. 7) 1930

Sales Tax Act (No. 8) 1930

Sales Tax Act (No. 9) 1930

Sales Tax Act (No. 10A) 1985

Sales Tax Act (No. 10B) 1985

Sales Tax Act (No. 10C) 1985

Sales Tax Act (No. 11A) 1985

Sales Tax Act (No. 11B) 1985

Sales Tax Amendment (Transitional) Act 1992

Sales Tax Assessment Act 1992

Sales Tax Assessment Act (No. 1) 1930

Sales Tax Assessment Act (No. 2) 1930

Sales Tax Assessment Act (No. 3) 1930

Sales Tax Assessment Act (No. 4) 1930

Sales Tax Assessment Act (No. 5) 1930

Sales Tax Assessment Act (No. 6) 1930

Sales Tax Assessment Act (No. 7) 1930

Sales Tax Assessment Act (No. 8) 1930

Sales Tax Assessment Act (No. 9) 1930

Sales Tax Assessment Act (No. 10) 1985

Sales Tax Assessment Act (No. 11) 1985

Sales Tax (Customs) (Alcoholic Beverages) Act 1997

Sales Tax (Customs) (Deficit Reduction) Act 1993

Sales Tax (Customs) (Industrial Safety Equipment) Act 2000

Sales Tax (Customs) (Wine—Deficit Reduction) Act 1993

Sales Tax (Excise) (Alcoholic Beverages) Act 1997

Sales Tax (Excise) (Deficit Reduction) Act 1993

Sales Tax (Excise) (Industrial Safety Equipment) Act 2000

Sales Tax (Excise) (Wine—Deficit Reduction) Act 1993

Sales Tax (Exemptions and Classifications) Act 1935

Sales Tax (Exemptions and Classifications) Act 1992

Sales Tax (General) (Alcoholic Beverages) Act 1997

Sales Tax (General) (Deficit Reduction) Act 1993

Sales Tax (General) (Industrial Safety Equipment) Act 2000

Sales Tax (General) (Wine—Deficit Reduction) Act 1993

Sales Tax Imposition (Customs) Act 1992

Sales Tax Imposition (Excise) Act 1992

Sales Tax Imposition (General) Act 1992

Sales Tax Imposition (In Situ Pools) Act 1992

Sales Tax (Industrial Safety Equipment) (Transitional Provisions) Act 2000

Sales Tax (In Situ Pools) (Deficit Reduction) Act 1993

Sales Tax Procedure Act 1934

Swimming Pools Tax Refund Act 1992

Tobacco Charge Act (No. 1) 1955

Tobacco Charge Act (No. 2) 1955

Tobacco Charge Act (No. 3) 1955

Tobacco Charges Assessment Act 1955

Wool Tax Act (No. 1) 1964

Wool Tax Act (No. 2) 1964

Wool Tax Act (No. 3) 1964

Wool Tax Act (No. 4) 1964

Wool Tax Act (No. 5) 1964

Wool Tax (Administration) Act 1964

Part 2—Consequential amendments

Administrative Decisions (Judicial Review) Act 1977

2 Paragraph (e) of Schedule 1

Omit "*Debits Tax Administration Act 1982*".

3 Paragraph (e) of Schedule 1

Omit "*Pay-roll Tax Assessment Act 1941*".

4 Paragraph (e) of Schedule 1

Omit "Acts providing for the assessment of sales tax".

5 Paragraph (e) of Schedule 1

Omit "*Wool Tax (Administration) Act 1964*".

A New Tax System (Goods and Services Tax Transition) Act 1999

6 Subsection 5(3) (table items 1 to 3AA)

Repeal the items.

7 Subsection 5(3) (table items 5 to 7)

Repeal the items.

8 Paragraphs 6A(2)(c) to (e)

Repeal the paragraphs.

9 Sections 8 and 16 to 16C

Repeal the sections.

10 At the end of section 17

Add:

(5) In this section:

assessable goods has the same meaning as in the former *Sales Tax Assessment Act 1992*.

11 Subsection 18(2)

Before "section 16", insert "former".

12 Sections 19B and 20

Repeal the sections.

13 Schedule 1

Repeal the Schedule.

A New Tax System (Wine Equalisation Tax) Act 1999

14 Paragraph 5-25(3)(c)

After "of the", insert "former".

15 Paragraph 5-25(3)(d)

After "of the", insert "former".

16 Paragraph 5-25(3)(d)

After "under the", insert "former".

17 At the end of paragraph 5-25(3)(d)

Add:

Note: Section 5 ensured that goods subject to sales tax under the pre-1992 sales tax law were not also taxable under the 1992 sales tax law.

ANL Act 1956

18 Section 61 (paragraphs (a) and (b) of the definition of *tax*)

Repeal the paragraphs.

Australian Hearing Services Act 1991

19 Subsection 53(1)

Omit "(1)".

20 Subsection 53(2)

Repeal the subsection.

Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989

21 Section 39

Omit "(including taxation under the *Debits Tax Act 1982*)".

Australian Institute of Health and Welfare Act 1987

22 Section 26

Omit "(including taxation under the *Bank Account Debits Tax Act 1982*)".

Australian National Maritime Museum Act 1990

23 Subsection 49(1)

Omit "(1)".

24 Subsection 49(2)

Repeal the subsection.

Australian Postal Corporation Act 1989

25 Section 90E (definition of *sales tax on imports*)

Repeal the definition.

26 Subparagraph 90K(3)(b)(ii)

Repeal the subparagraph.

27 Sub-subparagraph 90S(1)(b)(ii)(B)

Repeal the sub-subparagraph.

28 Subsection 90S(5)

Omit ", (B)".

29 Subsection 90S(5)

Omit ", sales tax,".

30 Subparagraph 90T(5)(b)(ii)

Repeal the subparagraph.

31 Subsection 90T(6)

Omit ", sales tax,".

Australian Securities and Investments Commission Act 2001

32 Paragraph 139(1)(a)

Omit "a law imposing sales tax, the *Debits Tax Act 1982* or".

33 Paragraph 165(1)(a)

Omit "a law imposing sales tax, the *Debits Tax Act 1982* or".

Australian Sports Commission Act 1989

34 Subsection 50(1)

Omit "(including taxation under the *Debits Tax Act 1982*)".

35 Subsection 50(1)

Omit "(other than laws relating to sales tax)".

36 Subsection 50(2)

Repeal the subsection.

37 Subsection 50(3)

Omit "or (2)".

38 Subsection 51(1)

Omit "(including taxation under the *Debits Tax Act 1982*)".

39 Subsection 51(1)

Omit "(other than laws relating to sales tax)".

40 Subsection 51(2)

Repeal the subsection.

41 Subsection 51(3)

Omit "or (2)".

Bank Integration Act 1991

42 Subsection 5(1) (paragraph (a) of the definition of *tax*)

Repeal the paragraph.

Commonwealth Serum Laboratories Act 1961

43 Section 31 (paragraphs (a) and (b) of the definition of *tax*)

Repeal the paragraphs.

Consular Privileges and Immunities Act 1972

44 Sections 8 and 8A

Repeal the sections.

Crimes (Taxation Offences) Act 1980

45 Subsection 3(1) (definition of *Australian installation*)

Repeal the definition, substitute:

> ***Australian installation*** means an installation (within the meaning of the *Customs Act 1901*) that is deemed by section 5C of the *Customs Act 1901* to be part of Australia.

46 Subsection 3(1) (definition of *old sales tax*)

Repeal the definition.

47 Subsection 3(1) (definition of *Sales Tax Assessment Acts*)

Repeal the definition.

48 Subsection 3(1) (definition of *Training Guarantee (Administration) Act*)

Repeal the definition.

49 Subsection 3(1) (definition of *training guarantee charge*)

Repeal the definition.

50 Paragraph 3(2)(a)

Omit "old sales tax" (wherever occurring), substitute "income tax".

51 Paragraph 3(2)(b)

Omit "future old sales tax", substitute "future income tax".

52 Subparagraphs 3(2)(b)(i) and (ii)

Omit "the old sales tax", substitute "the income tax".

53 Sub-subparagraph 3(2)(b)(ii)(B)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

54 Paragraph 3(2)(c)

Omit "old sales tax moneys", substitute "income tax moneys".

55 Subparagraph 3(2)(c)(i)

Omit "the old sales tax", substitute "the income tax".

56 Subparagraph 3(2)(c)(ii)

Omit "further sales tax", substitute "further income tax".

57 Subparagraphs 3(2)(c)(ii), (iii) and (iv)

Omit "any of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

58 Subparagraph 3(2)(c)(v)

Omit "old sales tax, further sales tax", substitute "income tax, further income tax".

59 Subsection 3(3)

Omit "old sales tax" (wherever occurring), substitute "income tax".

60 Paragraph 3(4)(e)

Omit "old sales tax" (wherever occurring), substitute "income tax".

61 Subsection 3(5)

Omit "old sales tax" (wherever occurring), substitute "income tax".

62 Subsections 4(2), (2A) and (3)

Repeal the subsections.

63 Part II (heading)

Repeal the heading (not including the note), substitute:

Part II—Offences relating to income tax

64 Part II (paragraphs (a), (b) and (e) of note to heading)

Repeal the paragraphs.

65 Subsection 5(1)

Omit "old sales tax", substitute "income tax".

66 Paragraphs 5(2)(a) and (b)

Omit "old sales tax", substitute "income tax".

67 Subsection 6(1)

Omit "old sales tax", substitute "income tax".

68 Paragraphs 6(2)(a) and (b)

Omit "old sales tax", substitute "income tax".

69 Subsection 7(1)

Omit "old sales tax", substitute "income tax".

70 Paragraphs 7(2)(a) and (b)

Omit "old sales tax", substitute "income tax".

71 Paragraph 8(a)

Omit "old sales tax", substitute "income tax".

72 Sub-subparagraph 8(b)(i)(A)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

73 Subparagraph 8(b)(ii)

Omit "old sales tax", substitute "income tax".

74 Subparagraph 8(b)(iii)

Omit "if old sales tax", substitute "if income tax".

75 Subparagraph 8(b)(iii)

Omit "when the old sales tax", substitute "when the income tax".

76 Sub-subparagraphs 8(b)(iii)(A), (B) and (C)

Omit "old sales tax", substitute "income tax".

77 Sub-subparagraph 8(b)(iii)(C)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

78 Paragraph 8(c)

Omit "old sales tax", substitute "income tax".

79 Subsection 10(1)

Omit "old sales tax", substitute "income tax".

80 Paragraph 10(2)(a)

Omit "old sales tax", substitute "income tax".

81 Paragraph 10(2)(b)

Omit "some one or other of the Sales Tax Assessment Acts, that the old sales tax moneys, or part of the old sales tax moneys", substitute "the Income Tax Assessment Act, that the income tax moneys, or part of the income tax moneys".

82 Subsection 10(2)

Omit "old sales tax moneys or the part of the old sales tax", substitute "income tax moneys or the part of the income tax".

83 Subsection 10(3)

Omit "old sales tax" (wherever occurring), substitute "income tax".

84 Subsection 10(3)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

85 Paragraph 11(1)(a)

Omit "old sales tax", substitute "income tax".

86 Paragraph 11(1)(a)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

87 Paragraphs 11(1)(b), (c) and (d)

Omit "old sales tax", substitute "income tax".

88 Subsection 12(1)

Omit "old sales tax" (wherever occurring), substitute "income tax".

89 Subsection 12(1)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

90 Subsection 12(2)

Omit "to the old sales tax moneys", substitute "to the income tax moneys".

91 Paragraphs 12(2)(a) and (b)

Omit "old sales tax" (wherever occurring), substitute "income tax".

92 Parts IIA and III

Repeal the Parts.

93 Paragraphs 14(1)(a) and (b)

Omit "old sales tax", substitute "income tax".

94 Paragraph 14(1)(c)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

95 Paragraph 14(1)(d)

Omit "old sales tax", substitute "income tax".

96 Paragraphs 15(1)(a) and (b)

Omit "old sales tax", substitute "income tax".

97 Paragraph 15(1)(c)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

98 Paragraph 15(1)(d)

Omit "old sales tax", substitute "income tax".

99 Part VI

Repeal the Part.

100 Paragraphs 17(1)(a) and (b)

Omit "old sales tax", substitute "income tax".

101 Paragraph 17(1)(c)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

102 Paragraph 17(1)(d)

Omit "old sales tax", substitute "income tax".

103 Paragraphs 18(1)(a) and (b)

Omit "old sales tax", substitute "income tax".

104 Paragraph 18(1)(c)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

105 Paragraph 18(1)(d)

Omit "old sales tax", substitute "income tax".

106 Paragraphs 19(1)(a) and (b)

Omit "old sales tax", substitute "income tax".

107 Paragraph 19(1)(c)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

108 Paragraph 19(1)(d)

Omit "old sales tax", substitute "income tax".

109 Paragraphs 20(1)(a) and (b)

Omit "old sales tax", substitute "income tax".

110 Paragraph 20(1)(c)

Omit "some one or other of the Sales Tax Assessment Acts", substitute "the Income Tax Assessment Act".

111 Paragraph 20(1)(d)

Omit "old sales tax", substitute "income tax".

Diplomatic Privileges and Immunities Act 1967

112 Sections 10 and 10A

Repeal the sections.

Freedom of Information Act 1982

113 Schedule 3

Omit "*Debits Tax Administration Act 1982*, subsection 7(2)".

114 Schedule 3

Omit "*Sales Tax Assessment Act (No. 1) 1930*, subsection 10(2)".

115 Schedule 3

Omit "*Sales Tax Procedure Act 1934*, subsection 4A(3)".

116 Schedule 3

Omit "*Sales Tax Assessment Act 1992*, subsection 110(2)".

117 Schedule 3

Omit "*Tobacco Charges Assessment Act 1955*, subsections 10(2) and (5)".

118 Schedule 3

Omit "*Wool Tax (Administration) Act 1964*, subsections 8(2) and (5)".

Fringe Benefits Tax Assessment Act 1986

119 Subsection 136(1) (subparagraph (a)(i) of the definition of *cost price*)

Repeal the subparagraph, substitute:

(i) where the car was manufactured by the person—the amount for which the car could reasonably have been expected to have been sold by the person by wholesale under an arm's length transaction at or about the time when the car was applied to the person's own use; or

120 Subsection 136(1) (subparagraph (a)(iii) of the definition of *cost price*)

Omit "sales tax or".

121 Subsection 136(1) (subparagraph (b)(i) of the definition of *cost price*)

Repeal the subparagraph, substitute:

(i) where the accessory was manufactured by the person who held the car at the time of the fitting—the amount for which the accessory could reasonably have been expected to have been sold under an arm's length transaction by the person by wholesale at or about the time when the accessory was applied to the person's own use; and

122 Subsection 136(1) (subparagraph (b)(iii) of the definition of *cost price*)

Omit "sales tax or".

123 Subsection 136(1) (definition of *sales tax*)

Repeal the definition.

Income Tax Assessment Act 1997

124 Section 17-30

Repeal the section, substitute:

17-30 Special credits because of indirect tax transition

A special credit under section 19A of the *A New Tax System (Goods and Services Tax Transition) Act 1999* is assessable income at the time it is attributed to a *tax period (for a credit under section 19A).

125 Subsection 995-1(1) (paragraph (c) of the definition of *BAS provisions*)

Omit "system); and", substitute "system).".

126 Subsection 995-1(1) (paragraph (e) of the definition of *BAS provisions*)

Repeal the paragraph.

International Organisations (Privileges and Immunities) Act 1963

127 Section 11A

Repeal the section.

128 At the end of paragraph 7(a) of Part I of the Third Schedule

Add "and".

129 Paragraph 7(b) of Part I of the Third Schedule

Repeal the paragraph.

Overseas Missions (Privileges and Immunities) Act 1995

130 Paragraph 12(1)(a)

Repeal the paragraph.

Note: The heading to section 12 is altered by omitting "**sales tax,**".

131 Subsection 12(2)

Omit "sales tax,".

Primary Industries and Energy Research and Development Act 1989

132 Subsection 4(1) (definition of *tobacco levy*)

Repeal the definition.

133 Subsection 32(1)

Omit "Subject to subsection (3), where", substitute "If".

134 Subsection 32(3)

Repeal the subsection.

135 Subsection 110(1)

Omit "Subject to subsection (3), where", substitute "If".

136 Subsection 110(3)

Repeal the subsection.

Snowy Mountains Engineering Corporation Act 1970

137 Section 39M (paragraphs (a) and (b) of the definition of *tax*)

Repeal the paragraphs.

Special Broadcasting Service Act 1991

138 Section 68

Omit all the words after "Territory".

Taxation Administration Act 1953

139 Subsection 8AAB(5) (table items 5 to 7, 21 and 22)

Repeal the items.

140 Subsection 8B(5)

Repeal the subsection.

141 Paragraph 8C(1)(c)

Repeal the paragraph.

142 Paragraphs 8J(2)(f), (g), (m), (n) and (na)

Repeal the paragraphs.

143 Paragraph 8J(2)(pa)

Omit "Act; or", substitute "Act.".

144 Paragraphs 8J(2)(q) to (r)

Repeal the paragraphs.

145 Section 14ZQ (definition of *appealable objection decision*)

Repeal the definition, substitute:

> ***appealable objection decision*** means an objection decision other than one made on a taxation objection under section 14E of this Act.

146 Section 14ZQ (paragraphs (c) to (f) of the definition of *delayed administration (beneficiary) objection*)

Repeal the paragraphs.

147 Section 14ZQ (definition of *ineligible sales tax remission decision*)

Repeal the definition.

148 Section 14ZQ (definition of *registration-type sales tax decision*)

Repeal the definition.

149 Section 14ZQ (definition of *reviewable objection decision*)

Repeal the definition, substitute:

> ***reviewable objection decision*** means an objection decision that is not an ineligible income tax remission decision.

150 Section 14ZQ (definition of *Sales Tax Assessment Act*)

Repeal the definition.

151 Subsection 14ZR(2)

Omit all the words after paragraph (b), substitute:

and (c) the objection decision is to any extent an ineligible income tax remission decision;

then, this Part has effect, in relation to any review or appeal, as if so much of the objection decision as consists of one or more ineligible income tax remission decisions were taken to be a separate objection decision.

152 Section 14ZT

Repeal the section.

153 Paragraph 14ZZB(1)(a)

Omit "(other than a reviewable objection decision that relates to a registration-type sales tax decision)".

154 Subsection 14ZZB(2)

Omit "(other than a reviewable objection decision that relates to a registration-type sales tax decision)".

155 Section 14ZZH

Repeal the section.

156 Sections 14ZZM and 14ZZR

Omit "(other than a registration-type sales tax decision)".

157 Section 250-10(2) in Schedule 1 (table items 150 to 165)

Repeal the items.

Taxation (Interest on Overpayments and Early Payments) Act 1983

158 Subsection 3(1) (subparagraph (d)(ii) of the definition of *decision to which this Act applies*)

Omit "assessment; or", substitute "assessment.".

159 Subsection 3(1) (paragraph (e) of the definition of *decision to which this Act applies*)

Repeal the paragraph.

160 Subsection 3(1) (definition of *objection*)

Repeal the definition, substitute:

> ***objection*** means a taxation objection within the meaning of Part IVC of the *Taxation Administration Act 1953*.

161 Subsection 3(4)

Repeal the subsection.

162 Section 3C (table items 100, 105, 115, 125, 130, 135 and 140 in the definition of *relevant tax*)

Repeal the items.

163 Section 12

Repeal the section.

Trade Practices Act 1974

164 Section 75AT (paragraph (a) of the definition of *New Tax System changes*)

After "of the", insert "former".

165 Section 75AT (paragraph (b) of the definition of *New Tax System changes*)

After "in the", insert "former".

Trans-Tasman Mutual Recognition Act 1997

166 Paragraph 1(1)(c) of Part 1 of Schedule 1

Omit "wholesale sales tax (Commonwealth) and".

167 Clause 5 of Part 2 of Schedule 1

Omit "*Sales Tax Assessment Act 1992* of the Commonwealth".

168 Clause 5 of Part 2 of Schedule 1

Omit "*Sales Tax (Exemptions and Classifications) Act 1992* of the Commonwealth".

Wool International Act 1993

169 Title

Omit "**through payments of wool tax**".

170 Section 3

Omit "through payments of wool tax".

171 Section 4 (definition of *Administration Act*)

Repeal the definition.

172 Section 4 (definition of *carpet wool*)

Repeal the definition.

173 Section 4 (definition of *sale value*)

Repeal the definition.

174 Section 4 (definition of *wool tax*)

Repeal the definition.

175 Section 4 (definition of *Wool Tax Act*)

Repeal the definition.

176 Part 7

Repeal the Part.

Wool Services Privatisation Act 2000

177 Section 7 (definition of *wool tax*)

Repeal the definition.

178 Paragraph 31(1)(a)

Omit "wool tax and".

179 Subsections 31(5) and (6)

Repeal the subsections, substitute:

Overall limit on appropriation for category A payments

(5) For category A payments, the total limit on the appropriation is the total amount of wool levy received by the Commonwealth. For this purpose, amounts received by the Commonwealth as penalties for late payment of wool levy are to be treated as amounts of wool levy.

Overall limit on appropriation for category B payments

(6) For category B payments, the total limit on the appropriation is the total amount of wool levy received by the Commonwealth. For this purpose, amounts received by the Commonwealth as penalties for late payment of wool levy are not to be treated as amounts of wool levy.

Schedule 6—Application and saving provisions

Part 1—Application provisions

1 Application of Schedule 1 and 2 amendments

Except as mentioned in items 2 and 3, the repeals and amendments made by Schedules 1 and 2 apply:

(a) so far as they affect assessments—to assessments for the 2006-07 income year and all later income years; and

(b) otherwise—to acts done or omitted to be done, or states of affairs existing, after the commencement of the repeals and amendments.

2 Application of Schedule 2 withholding tax amendments

The amendments made by items 337, 343 and 344 of Schedule 2 apply to income derived in the 2006-07 income year and later income years.

3 Application of TFN withholding tax amendments

(1) The amendment made by item 949 of Schedule 2 applies to payments made on or after the day on which this Act receives the Royal Assent.

(2) The repeal of Subdivision C of Division 3B of Part VI of the *Income Tax Assessment Act 1936* by item 163 of Schedule 1 to this Act, and the insertion of section 14-55 in Schedule 1 to the *Taxation Administration Act 1953* by item 955 of Schedule 2 to this Act, apply to the 2006-07 income year and later income years.

(3) The insertion of sections 14-50, 14-60, 14-65, 14-75 and 14-85 in Schedule 1 to the *Taxation Administration Act 1953* by item 955 of Schedule 2 to this Act applies to tax payable in accordance with former section 221YHZR of the *Income Tax Assessment Act 1936* as if:

(a) the tax were TFN withholding tax (payable under section 14-55 in that Schedule); and

(b) section 14-55 in that Schedule applied to the income year in respect of which the tax is payable.

4 Application of Schedule 3 and 4 amendments

The repeals and amendments made by Schedules 3 and 4 apply:

(a) so far as they affect assessments—to assessments for the 2007-08 income year and all later income years; and

(b) otherwise—to acts done or omitted to be done, or states of affairs existing, after the commencement of the amendments.

5 Application of Schedule 5 amendments

The repeals and amendments made by Schedule 5 apply to acts done or omitted to be done, or states of affairs existing, after the commencement of the amendments.

Part 2—General saving provisions

6 Object

The object of this Part is to ensure that, despite the repeals and amendments made by this Act, the full legal and administrative consequences of:

(a) any act done or omitted to be done; or

(b) any state of affairs existing; or

(c) any period ending;

before such a repeal or amendment applies, can continue to arise and be carried out, directly or indirectly through an indefinite number of steps, even if some or all of those steps are taken after the repeal or amendment applies.

7 Making and amending assessments, and doing other things, in relation to past matters

Even though an Act is repealed or amended by this Act, the repeal or amendment is disregarded for the purpose of doing any of the following under any Act or legislative instrument (within the meaning of the *Legislative Instruments Act 2003*):

(a) making or amending an assessment (including under a provision that is itself repealed or amended);

(b) exercising any right or power, performing any obligation or duty or doing any other thing (including under a provision that is itself repealed or amended);

in relation to any act done or omitted to be done, any state of affairs existing, or any period ending, before the repeal or amendment applies.

Example 1: On 31 July 1999, Greg Ltd lodged its annual return under former section 160ARE of the *Income Tax Assessment Act 1936*. The return stated that the company had a credit on its franking account and that no franking deficit tax was payable for the 1998-99 franking year. Under former section 160ARH of that Act, the Commissioner was taken to have made an assessment consistent with the return.

Following an audit undertaken after the repeal of Part IIIAA of that Act, the Commissioner concludes that Greg Ltd fraudulently overfranked dividends it paid during the 1998-99 franking year, and had a franking account deficit for that franking year. As a result, the Commissioner considers that franking deficit tax and a penalty by way of additional tax are payable.

The Commissioner can amend the assessment under former section 160ARN of that Act, because item 7 of this Schedule disregards the repeal of that section for the purposes of making an assessment in relation to the 1998-99 franking year. Item 7 will also disregard the repeal of Division 11 of former Part IIIAA to the extent necessary for the Commissioner to assess Greg Ltd's liability to a penalty by way of additional tax.

Despite the repeal of sections 160ARU and 160ARV, item 9 will ensure that the general interest charge will accrue on the unpaid franking deficit tax and penalty until they are paid.

Item 7 will also preserve Greg Ltd's right, under former section 160ART of that Act, to object against the Commissioner's amended assessment (including the penalty), since the objection is the exercise of a right in relation to a franking year that ended before the repeal of Part IIIAA.

Example 2: During the 1997-98 income year, Duffy Property Ltd withheld amounts from its employees' wages as required by former Divisions 1AAA and 2 of Part VI of the *Income Tax Assessment Act 1936*. The company failed to notify the Commissioner of those amounts, and failed to remit them to the Commissioner.

Following an audit undertaken after the repeal of those Divisions, the Commissioner discovers that the withheld amounts have not been remitted. The company's records are incomplete and the Commissioner is unable to completely ascertain the extent of its liability for the withheld amounts. Under section 222AGA of that Act, the Commissioner makes an estimate of the liability.

Item 7 will disregard the repeal of section 220AAZA of that Act (which empowered the Commissioner to recover the amount of the estimate). Even though the estimate is made after the repeal, it relates to amounts withheld before the repeal.

8 Saving of provisions about effect of assessments

If a provision or part of a provision that is repealed or amended by this Act deals with the effect of an assessment, the repeal or amendment is disregarded in relation to assessments made, before or after the repeal or amendment applies, in relation to any act done or omitted to be done, any state of affairs existing, or any period ending, before the repeal or amendment applies.

9 Saving of provisions about general interest charge, failure to notify penalty or late reconciliation statement penalty

If:

(a) a provision or part of a provision that is repealed or amended by this Act provides for the payment of:

(i) general interest charge, failure to notify penalty or late reconciliation statement penalty (all within the meaning of the *Income Tax Assessment Act 1936*); or

(ii) interest under the *Taxation (Interest on Overpayments and Early Payments) Act 1983*; and

(b) in a particular case, the period in respect of which the charge, penalty or interest is payable (whether under the provision or under the *Taxation Administration Act 1953*) has not begun, or has begun but not ended, when the provision is repealed or amended;

then, despite the repeal or amendment, the provision or part continues to apply in the particular case until the end of the period.

10 Repeals disregarded for the purposes of dependent provisions

If the operation of a provision (the ***subject provision***) of any Act or legislative instrument (within the meaning of the *Legislative Instruments Act 2003*) made under any Act depends to any extent on an Act, or a provision of an Act, that is repealed by this Act, the repeal is disregarded so far as it affects the operation of the subject provision.

11 Schedule does not limit operation of section 8 of the *Acts Interpretation Act 1901*

This Schedule does not limit the operation of section 8 of the *Acts Interpretation Act 1901*.

Part 3—Other saving provisions and transitional provisions

12 Continued operation of repealed section 215 of the *Income Tax Assessment Act 1936*

If, just before the repeal of section 215 of the *Income Tax Assessment Act 1936* by Schedule 1 to this Act, that section applied to:

(a) a liquidator of a company that was being wound up; or

(b) a receiver for debenture holders who had taken possession of assets of a company; or

(c) an agent for a non-resident who had been required by the agent's principal to wind up the business or realise the assets of the principal;

the section continues so to apply in spite of the repeal.

13 Continued operation of repealed sections 216 and 220 of the *Income Tax Assessment Act 1936*

If, just before the repeal of section 216 or 220 of the *Income Tax Assessment Act 1936* by Schedule 1 to this Act, that section applied to a deceased taxpayer, the section continues so to apply in spite of the repeal.

14 Resolutions to which section 221B of the *Income Tax Assessment Act 1936* applies

If a resolution to which section 221B of the *Income Tax Assessment Act 1936* applied was in force just before the repeal of that section by Schedule 1 to this Act, section 446-5 in Schedule 1 to the *Taxation Administration Act 1953* (as inserted by item 970 of Schedule 2 to this Act) applies to the resolution after the repeal.

15 Extended operation of subsection 265-45(2) in Schedule 1 to the *Taxation Administration Act 1953*

In addition to the operation that it has apart from this item, subsection 265-45(2) in Schedule 1 to the *Taxation Administration Act 1953* also applies to an amount of a liability (within the meaning of that subsection) that a person pays after the repeal of section 259 of the *Income Tax Assessment Act 1936* by item 166 of Schedule 1 to this Act, if the liability arose before 1 July 2000.

[*Minister's second reading speech made in—*
House of Representatives on 22 June 2006
Senate on 16 August 2006]

(86/06)