



Treasury Laws Amendment (Making Sure Multinationals Pay Their Fair Share of Tax in Australia and Other Measures) Act 2019

No. 65, 2019

**An Act to amend the law in relation to taxation,
and for related purposes**

Note: An electronic version of this Act is available on the Federal Register of Legislation
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[Assented to 13 September 2019]

The Parliament of Australia enacts:

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Fair Share of Tax in Australia and Other Measures) Act 2019*

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1 Short title

This Act is the *Treasury Laws Amendment (Making Sure Multinationals Pay Their Fair Share of Tax in Australia and Other Measures) Act 2019*.

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
Provisions	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	13 Sept 2019
2. Schedules 1, 2 and 3	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	1 Oct 2019

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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

Part 1—Amendments

Income Tax Assessment Act 1936

1 Subsection 262A(2AA)

Omit “, 820-980 or 820-985”, substitute “or 820-980”.

2 Paragraph 262A(3)(d)

Omit “; and”, substitute “.”.

3 Paragraph 262A(3)(e)

Repeal the paragraph.

Income Tax Assessment Act 1997

4 Paragraph 820-583(5)(b)

Omit “;”, substitute “.”.

5 Subsection 820-583(5)

Omit all the words after paragraph (b).

6 Paragraph 820-583(6)(c)

Omit “;”, substitute “.”.

7 Subsection 820-583(6)

Omit all the words after paragraph (c).

8 Paragraph 820-680(1)(a)

Omit “(including revaluing its assets for the purposes of that calculation)”.

9 Subsection 820-680(1) (note)

Omit “, 820-682, 820-683 and 820-684”, substitute “and 820-682”.

10 Subsection 820-680(1A) (note)

Omit “sections 820-682 and 820-683”, substitute “section 820-682”.

11 Subsections 820-680(2) to (2E)

Repeal the subsections, substitute:

(2) If:

- (a) an entity is required by an Australian law to prepare financial statements for a period in accordance with the *accounting standards; and
- (b) a matter mentioned in subsection (1) is determined or calculated in accordance with the accounting standards for the purposes of the financial statements in relation to the period;

then, for the purposes of this Division, the matter is to be determined or calculated in relation to the period, or any part of the period, in the same way as it is determined or calculated in the financial statements.

(2A) If:

- (a) a period in relation to which a matter mentioned in subsection (1) is determined or calculated (the *current period*) is not the same as a period in relation to which paragraphs (2)(a) and (b) are satisfied; and
- (b) the current period overlaps with one or more periods in relation to which paragraphs (2)(a) and (b) are satisfied;

then, for the purposes of this Division, the matter is to be determined or calculated in relation to the current period in the same way as it is determined or calculated in the financial statements for the most recent of the overlapping periods.

12 Subsections 820-682(1) and (2)

Omit “subsections 820-680(1) and (1A)”, substitute “subsections 820-680(1), (1A) and (2)”.

13 Sections 820-683 and 820-684

Repeal the sections.

14 Paragraph 820-933(4)(b)

Omit “, 820-682, 820-683 and 820-684”, substitute “and 820-682”.

15 Group heading (before section 820-985)

Repeal the heading.

16 Section 820-985

Repeal the section.

Part 2—Application and transitional provisions

17 Revaluation of assets

- (1) The amendments made by items 1 to 3 and items 8 to 16 of this Schedule apply in relation to any of the following carried out for the purposes of Division 820 of the *Income Tax Assessment Act 1997* after 7.30 pm, by legal time in the Australian Capital Territory, on 8 May 2018 (the *transition time*):
- (a) a determination that an asset or liability is an asset or liability of an entity (including a determination that the entity has an asset or liability at a particular time);
 - (b) a calculation of:
 - (i) the value of an entity's assets; or
 - (ii) the value of an entity's liabilities (including its debt capital); or
 - (iii) the value of an entity's equity capital.
- (2) If any of the matters mentioned in subitem (1) have been determined or calculated before the transition time:
- (a) only the most recent of those determinations or calculations that comply with Division 820 of the *Income Tax Assessment Act 1997*, as in force at the time the determination or calculation was made, may be used by the entity for the purposes of that Division on or after the transition time; and
 - (b) those determinations or calculations may only be used by the entity for the purposes of Division 820 of that Act for income years beginning before 1 July 2019.

18 Classification of head company

The amendments made by items 4 to 7 of this Schedule apply in relation to income years beginning on or after 1 July 2019.

Schedule 2—Online hotel bookings

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

1 Paragraph 83-5(2)(c)

Omit “or (c)” (wherever occurring).

2 Subsection 151-5(2)

Omit “or (c)” (wherever occurring).

3 Paragraphs 188-15(3)(c) and 188-20(3)(c)

Repeal the paragraphs.

4 Application

The amendments made by this Schedule apply in relation to a supply:

- (a) for which consideration is first received on or after 1 July 2019; or
- (b) if, before any consideration is received for the supply, an invoice is issued relation to the supply—for which an invoice is issued on or after 1 July 2019.

Schedule 3—Non-taxable re-importations of refurbished luxury cars

A New Tax System (Luxury Car Tax) Act 1999

1 After subsection 7-20(1)

Insert:

- (1A) An *importation of a *car is a *non-taxable re-importation* if:
- (a) the car was exported from the indirect tax zone and is returned to the indirect tax zone; and
 - (b) the car has been subject to any treatment, industrial processing, repair, renovation, alteration or any other process since its export; and
 - (c) the ownership of the car has not changed in the period beginning immediately before the car was exported and ending at the time it is returned to the indirect tax zone.

2 Application

The amendment made by this Schedule applies in relation to importations occurring on or after 1 January 2019.

*[Minister's second reading speech made in—
House of Representatives on 4 July 2019
Senate on 1 August 2019]*

(091/19)
