

House of Representatives

Supplementary Order Paper

Tuesday, 18 November 2003

Taxation (Annual Rates, GST, Trans-Tasman Imputation and Miscellaneous Provisions) Bill

Proposed amendments

Rod Donald, in Committee, to move the following amendments:

Clause 2(14)

To insert (in line 5, page 7), after the words "**Sections**", the expression "**11B**".

Part 1: Clause 3

To insert in subclause (1), after the word "Act" (in line 21, page 7), the words "as amended by **subsection (1A)**".

To insert, after subclause (1) (after line 21, page 7), the following subclause:

- (1A) Schedule 1, Part B of the Income Tax Act 1994 is replaced by the new **Schedule 1, Part B** set out in **Schedule 1** of this Act.

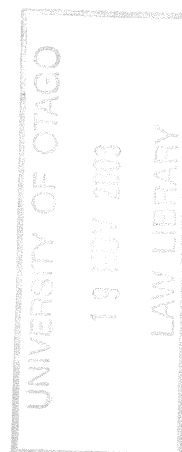
Part 2: New clause 11B

To insert, after clause 11 (after line 23, page 13), the following clause:

11B Certain withdrawal amounts are gross income of superannuation fund

Section CL 4(3) is replaced by the following:

- "(3) Subsection (4) applies for an income year that is one of the 4 income years immediately preceding the income year in which the withdrawal was made, if—
- "(a) the income year is one of the 2000–01 to 2003–04 income years and the member's employer deducted, from each specified superannuation contribution made to the fund by the employer on behalf of the member for the income year, specified superannuation contribution withholding tax at the rate of 39 cents for every \$1 of the gross amount of the specified superannuation contribution (being the amount of the contribution before



deduction of specified superannuation contribution withholding tax):

- “(b) for the income year—
 - “(i) the total of the member’s taxable income and the amount of the employer’s specified superannuation contributions on behalf of the member (before deduction of specified superannuation contribution withholding tax) was less than \$60,000; and
 - “(ii) the member’s employer deducted, from each specified superannuation contribution made to the fund by the employer on behalf of the member, specified superannuation contribution withholding tax at the rate of 33 cents for every \$1 of the gross amount of the specified superannuation contribution (being the amount of the contribution before deduction of specified superannuation contribution withholding tax):
- “(c) the member’s employer deducted, from each specified superannuation contribution made to the fund by the employer on behalf of the member for the income year, specified superannuation contribution withholding tax at the rate given for the employee and the income year by **Schedule 1, Part C**:
- “(d) each specified superannuation contribution made to the fund by the employer on behalf of the member for the income year was treated as salary or wages of the employee under section NE2A.”

Clause 71

To omit from subclause (3) all the words on lines 29 and 30 on page 109, and substitute the following:

In clause 10 of Part A, paragraph (a) is replaced by the following:

- “(a) the rate specified in **Part C** for the amount given for the employee by the formula in **section NE 2AB(1)**, if the employee has made an election under section NE 2AA; and

To omit from subclause (3), new clause 10(ab), the expression “**Part C**” (line 31, page 109), and substitute the words “Part D for the amount given for the employee by the formula in **section NE 2AB(1)**”.

To omit from subclause (4) the item relating to Part C (lines 1 to 12 on page 110) and substitute the following:

**“Part C
“Rates referred to in clause 10(a) of Part A**

The amount given by the formula in section NE 2AB(1)	The rate of specified superannuation contribu- tion withholding tax for every \$1 of the gross amount of a specified superannuation contribu- tion (being the amount of the contribution before deduction of specified superannuation contribution withholding tax)	Cents
An amount that is not more than \$9,500		15
An amount that is more than \$9,500 and not more than \$38,000		21
An amount that is more than \$38,000 and not more than \$60,000		33
An amount that is more than \$60,000		39

**“Part D
“Rates referred to in clause 10(ab) of Part A**

An amount that is not more than \$9,500	9
An amount that is more than \$9,500 and not more than \$38,000	15
An amount that is more than \$38,000 and not more than \$60,000	27
An amount that is more than \$60,000	33”.

Schedule inserted

To insert (after line 8, page 159) the following schedule:

**Schedule
New Schedule 1 inserted in principal Act**

Schedule 1

**Part B
Rates referred to in clause 9 of Part A**

	The rate of tax for every \$1 of taxable income
	Cents
An amount that is not more than \$5000	0
An amount that is more than \$5000 and not more than \$38,000	19.5
An amount that is more than \$38,000 and not more than \$60,000	33
An amount that is more than \$60,000	39