



New legislation by topic

New legislation relating to businesses, individuals, not-for-profits, superannuation, international tax and other topics.

Businesses



Access information about new legislation relating to businesses.

Individuals



Access information about new legislation relating to individuals.

International tax



Access information about new legislation relating to international tax.

Not-for-profit



Access information about new legislation relating to not-for-profit organisations.

Superannuation



Access information about new legislation relating to superannuation.

Other topics



Access information about new legislation relating to other tax and super topics.

QC 100856

Businesses

Access information about new legislation relating to businesses.

Last updated 27 February 2025

Amending the tax law to reduce compliance cost for general insurers

Changes to Australia's Offshore Banking Unit Regime

Changes to offsetting debts on hold

Clarifying the tax treatment of 'exploration' and 'mining, quarrying and prospecting rights'

Deny deductions for ATO interest charges

Extending the ATO's retention framework

Extending the clean building managed investment trust withholding tax concession

Government response to the Review of the PRRT Gas Transfer Pricing Arrangements

Hydrogen Production and Critical Minerals Tax Incentives

Incentives to increase the supply of housing

Multinational Tax Integrity Package – Thin capitalisation rules

New Royalty Penalty and withdrawal of intangibles measure

News bargaining incentive

Proposed changes to fringe benefits tax record-keeping

Single Touch Payroll – Employer Standing Declaration

Small Business Support – \$20,000 instant asset write off

Strengthen penalty and shortfall interest charge provisions

Tax Integrity – expanding the general anti-avoidance rule in the income tax law

QC 101159

Amending the tax law to reduce compliance costs for general insurers

The Australian Government announced it will amend the tax law to minimise the regulatory burden facing general insurers.


Last updated 4 July 2024

On 9 May 2023, as part of the 2023–24 Budget, the Australian Government announced it will amend the tax law to minimise the regulatory burden facing general insurers.

This measure is now law.

The amendments allow general insurers to continue using audited financial reporting information as the basis for their annual income tax returns. The amendments broadly align the tax law with the new accounting standard, AASB 17 and have effect for income years starting on or after 1 January 2023.

More information

- [Amendments to income tax law for general insurers](#) details the amendments, including transitional arrangements and provides the form to make the election to spread the changes that occur due to adoption of AASB 17.
- [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Act 2024](#) 

Changes to Australia's Offshore Banking Unit Regime

The Government announced changes to Australia's Offshore Banking Unit (OBU) regime.

Last updated 1 April 2022

On 13 September 2021, the Amending Australia's Offshore Banking Unit (OBU) Regime became law.

Currently, the regime provides an effective concessional tax rate of 10 percent on offshore banking income derived by an OBU from its offshore banking activities. The Organisation for Economic Cooperation and Development's (OECD) Forum on Harmful Tax Practices raised concerns in October 2018 over Australia's OBU regime, on the grounds that it provides a concessional tax rate and is "ring-fenced" to exclude domestic transactions from its scope.

In response, the Government will remove the concessional tax treatment for OBUs in respect of offshore banking activities, effective from the commencement of the OBU's 2023-24 income year. For example, for an OBU whose income year end is 31 December, this will have effect from 1 January 2023. For an OBU whose income year end is 30 June, this will have effect from 1 July 2023. The interest withholding tax exemption for OBUs will also be removed for interest paid on or after 1 January 2024. In addition, the Act will remove the Minister's power to approve OBU applications from 14 September 2021. Any outstanding applications made before this date will, from this date, lapse.

The Government has committed to consult with industry on alternative measures to support the affected parties and ensure Australia remains globally competitive and an attractive market for financial services once the two-year grandfathering period ends.

See also

- [Treasury Laws Amendment \(2021 Measures No. 2\) Act 2021](#) 

- [Media release on 12 March 2021 by the Treasurer](#) 


QC 65331

Clarifying the tax treatment of 'exploration' and 'mining, quarrying and prospecting rights'

The Government announced changes to the tax treatment of 'exploration' and 'mining, quarrying and prospecting rights'.

Last updated 5 August 2024

In response to the decision of the Full Federal Court in *Commissioner of Taxation v Shell Energy Holdings Australia Limited* [2022] FCAFC 2, the Government has amended the PRRT to clarify that 'exploration for petroleum' is limited to the 'discovery and identification of the existence, extent and nature of the petroleum resource' and doesn't extend to 'activities and feasibility studies directed at evaluating whether the resource is commercially recoverable'.

The amendments contained in the [Treasury Laws Amendment \(Delivering Better Financial Outcomes and Other Measures\) Act 2024](#)  received Royal Assent on 9 July 2024. The amendments apply to payments made on or after 21 August 2013. The Commissioner of Taxation's administrative treatment and written binding advice is set out in **Taxation Ruling TR 2014/9**.

This measure will also clarify that mining, quarrying and prospecting rights (MQPRs) can't be depreciated for income tax purposes until they are used (not merely held) and will limit the circumstances in which the issue of new rights over areas covered by existing rights lead to tax adjustments.

These amendments will apply in respect of all MQPRs acquired or started to be used after the date of announcement (7:30 pm AEST on 9 May 2023).

Denying deductions for ATO interest charges

Taxpayers can no longer claim an income tax deduction for ATO interest charges incurred on or after 1 July 2025.

Last updated 6 June 2025

On this page

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About this law change

On 13 December 2023, as part of the 2023–24 Mid-Year Economic and Fiscal Outlook (MYEFO), the government announced it would amend the tax law to deny income tax deductions for ATO interest charges.

This is now law.

The law change applies in relation to assessments for income years starting on or after 1 July 2025. An assessment for an income year is how your income tax is calculated, as explained in your notice of assessment.

This means that you can no longer deduct GIC and SIC incurred on or after 1 July 2025 in your income tax return for income years starting on or after 1 July 2025.

Examples of when ATO interest charges are incurred

When you claim a deduction for ATO interest depends on when GIC or SIC is incurred. This is when you become liable for the interest charge. Examples of this include (but are not limited to):

- GIC imposed on unpaid income tax liabilities is **incurred** on a daily basis.
- SIC imposed on an unpaid income tax shortfall is **incurred** in the year you are served a notice of amended assessment.

ATO interest charges incurred before 1 July 2025

Any GIC or SIC already incurred prior to 1 July 2025 remains deductible for the 2024–25 and earlier income years.

For the 2024–25 and earlier income years, our guidance on calculating your ATO interest charge deductions, including how to verify pre-fill information, applies. For more information, see [Calculate and report ATO interest](#).

If you have (or can) deduct GIC or SIC for the 2024–25 or an earlier income year and it is later remitted, the amount that is remitted will need to be included in your assessable income in the year in which the remission occurred.

ATO interest charges incurred on or after 1 July 2025

Any GIC or SIC incurred on or after 1 July 2025 is not deductible regardless of whether the debt relates to an earlier income year.

As they are not deductible, any GIC or SIC that is later remitted will no longer need to be included as assessable income.

Entities with a substituted accounting period




An entity's accounting period is ordinarily the 12-month period ending on 30 June.

You can seek leave from the Commissioner to adopt an alternative annual accounting period (known as a substituted accounting period or SAP).

If you have a SAP, these changes equally apply to you from your next accounting period starting after 1 July 2025.

More information

For more information, see:


- General interest charge
- Shortfall interest charge
- Entities with a substituted accounting period
- [Treasury Laws Amendment \(Tax Incentives and Integrity\) Act 2025](#) 
- [2023–24 Mid-Year Economic and Fiscal Outlook](#) 
- [2023–24 Mid-Year Economic and Fiscal Outlook media release](#) .

QC 73746

Extending the ATO's BAS retention framework

From 1 July 2025 the government will extend the mandatory notification period for BAS refund retention from 14 days to 30 days.

Last updated 28 March 2025

On 14 May 2024 as part of the [2024–25 Budget](#) , the government announced it will extend the period the ATO has to notify a taxpayer

when a business activity statement (BAS) refund is retained for further investigation from 14 to 30 days. This measure is now law.

The changes will apply from 1 July 2025.

The measure gives the ATO additional time to review suspected fraudulent refunds prior to their release, especially during periods of high-volume fraud events. It allows an additional 16 days to notify a taxpayer that a business activity statement (BAS) refund has been retained for further verification. Legitimate refunds will be largely unaffected. Any legitimate refunds retained for over 14 days will result in the ATO paying interest to the taxpayer.

For more information see



- [Treasury Laws Amendment \(Tax Incentives and Integrity\) Act 2024](#) 

QC 102083

Government response to the Review of the PRRT Gas Transfer Pricing Arrangements

The government announced changes to the Petroleum Resource Rent Tax (PRRT).

Last updated 9 August 2024

On 7 May 2023, the government announced [changes to the Petroleum Resource Rent Tax](#)  (PRRT). The changes respond to the [Treasury Gas Transfer Pricing \(GTP\) Review](#) .

The government, in response to the review, introduced a cap on the use of deductions to offset assessable PRRT income of certain liquefied natural gas (LNG) producers under the PRRT. The deductions cap was introduced at Schedule 5 of the Treasury Laws Amendment (Tax Accountability and Fairness) Bill 2023. The deductions cap will bring forward PRRT receipts from LNG projects that are yet to pay PRRT and ensure a greater return to taxpayers from the offshore LNG industry.

Parliament has enacted the [Treasury Laws Amendment \(Tax Accountability and Fairness\) Act 2024](#) [↗](#). Accordingly, the petroleum resource rent tax (PRRT) deductions cap is now law and takes effect from 1 July 2023.

The deductions cap limits deductible expenditure to the value of 90% of each taxpayer's PRRT assessable receipts for each project interest in the relevant financial year and applies after mandatory transfers of exploration expenditure. The amounts that are unable to be deducted because of the deductions cap will be carried forward and uplifted at the government long-term bond rate.

The deductions cap applies to PRRT projects that produce LNG and meet specific conditions. Projects will not be subject to the deductions cap until 7 years after the year of first production or from 1 July 2023, whichever is later. The deductions cap does not apply to certain classes of deductible expenditure in the PRRT such as closing-down expenditure, starting base expenditure and resource tax expenditure. For more information about the PRRT deductions cap, see **Petroleum resource rent tax deductions cap**.

The government will also make a number of supporting changes to the GTP arrangements:

- The government has updated the PRRT anti-avoidance rules to clarify their application to the *Petroleum Resource Rent Tax Assessment Regulation 2015*.
 - Parliament has enacted the [Treasury Laws Amendment \(Delivering Better Financial Outcomes and Other Measures\) Act 2024](#) [↗](#).
 - The amendments for the PRRT anti-avoidance rules now align with the general anti-avoidance provisions in Part IVA of the *Income Tax Assessment Act 1936* (ITAA 1936) and take effect from 1 July 2023.
- From 1 July 2024, the government will modernise the PRRT to accommodate emerging developments in LNG project structures including tolling arrangements, better reflect the contributions and risks of the notional entities that comprise the LNG value chain, align the PRRT regulations with current transfer pricing practices and provide appropriate integrity rules for the regime.

For our latest information on these changes, see **PRRT updates**.

QC 72507

Critical Minerals and Hydrogen Production Tax Incentives

The Government announced a Critical Minerals Tax Incentive and a Hydrogen Production Tax Incentive.

Last updated 13 March 2025

On this page

[Critical Minerals Production Tax Incentive](#)

[Hydrogen Production Tax Incentive](#)

As part of the 2024–25 Budget, the Government announced changes to accelerate investment in Future Made in Australia priority industries. The changes included providing a Critical Minerals Production Tax Incentive and a Hydrogen Production Tax Incentive from 1 July 2027.

Critical Minerals Production Tax Incentive

From 1 July 2027, the Government has established a temporary Critical Minerals Production Tax Incentive.

The incentive will provide eligible recipients with a time-limited and uncapped refundable tax offset of 10% for the costs of processing the 31 critical minerals currently listed in Australia. The credit will be available for a maximum of 10 years between 1 July 2027 and 30 June 2040.

This measure is now law.

Hydrogen Production Tax Incentive

The Government has established a temporary Hydrogen Production Tax Incentive to incentivise renewable hydrogen production for eligible Australian resident corporations with a time-limited and uncapped refundable tax offset.

The incentive will provide a \$2 incentive per kilogram of renewable hydrogen produced for up to ten years, between 1 July 2027 and 30 June 2040 for projects that reach final investment decisions by 2030.

This measure is now law.

For further information and eligibility, see [Critical Minerals Production Tax Incentive and Hydrogen Production Tax Incentive](#).

For more information see:

- [Future Made in Australia \(Production Tax Credits and Other Measures\) Act 2025](#) 
- [Budget 2024–25 Paper No 2 \(PDF, 2.6MB\)](#) 
- [Budget 2024–25 A Future Made in Australia fact sheet \(PDF, 439KB\)](#) 

QC 102084

Incentives to increase the supply of housing

The government will provide tax incentives to increase the supply of housing by supporting build to rent developments.

Last updated 3 January 2025





From 1 January 2025, owners of eligible build to rent developments may make a choice for their development to access the tax incentives. To make a choice, they must lodge the approved form with the Commissioner.

This measure is now law.

On 28 April 2023, the Australian Government announced tax incentives to increase the supply of housing, by:

- reducing the withholding tax rate for eligible fund payments from managed investment trusts (MIT) attributable to residential active build to rent developments from 30% to 15%
 - this incentive will be open to developments irrespective of when construction commenced
 - from 1 January 2025, foreign residents from an information exchange country are subject to a final MIT withholding tax rate of 15% for income and gains attributable to a residential property, including build to rent developments
- increasing the capital works tax deduction depreciation rate for active new build to rent developments from 2.5% to 4% per year
 - this incentive is open to developments where construction commenced after 7:30 pm, 9 May 2023 and will shorten the period that construction costs of eligible buildings are depreciated from 40 to 25 years.

For more information see:


- [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Act 2024](#) 
- [Capital Works \(Build to Rent Misuse Tax\) Act 2024](#) 
- [Income Tax Assessment \(Build to Rent Developments\) Determination 2024](#) 
- Ministers announcement: The Hon Dr Jim Chalmers MP Treasurer - [Build-to-rent bill paves the way for the construction of 80,000 homes](#) 
- Build to rent development tax incentives.

Amending Australia's interest limitation (thin capitalisation) rules

The Government announced it will strengthen the thin capitalisation rules.

Last updated 10 April 2024

On 25 October 2022, as part of the 2022–23 Budget, the government announced it would strengthen Australia's thin capitalisation rules. Changes will be made to align with the Organisation for Economic Co-operation and Development's (OECD) best practice approach (OECD BEPS Action 4). This measure is now law.

The [Treasury Law Amendment \(Making Multinationals Pay Their Fair Share – Integrity and Transparency\) Act 2024](#)  applies to income years commencing on or after 1 July 2023. The thin capitalisation rules apply to most multinational businesses operating in Australia with at least \$2 million in debt deductions, on an associate inclusive basis.

The amendments established 3 new tests that apply to 'general class entities' (this includes most multinational businesses):


- The fixed ratio test is an earnings-based ratio test consistent with the OECD's best practice approach. This test limits an entity's net debt deductions to 30 per cent of its tax earnings before interest, taxes, depreciation, and amortization (EBITDA). Under this new test, debt deductions exceeding the 30% EBITDA limit will be denied. Denied deductions can be carried forward and claimed in subsequent income years (subject to the 30% EBITDA limit each year), for a maximum of 15 years. This method is the default method unless a taxpayer makes a choice to use the other 2 methods.
- The group ratio test is an earnings-based worldwide gearing ratio test consistent with the OECD's best practice approach. This test limits net debt deductions using a ratio of the worldwide group's net interest expense and EBITDA based on the worldwide group's financial statements. There is no carry forward of denied deductions under this method.
- The third party debt test limits an entity's debt deductions to those attributable to an entity's external (or third party) debt except for

non-qualifying external debt. Debt deductions attributable to related party debt are denied under this test. There is no carry forward of denied deductions under this method.

The current safe harbour test and worldwide gearing ratio test are retained for entities classified as financial entities and ADIs. The current arm's length capital test is retained for ADIs. Financial entities which are not ADIs can choose the new third party debt test, and the current arm's length debt test for non-ADIs is repealed.

These rules are supported by debt deduction creation rules that deny debt deductions arising in connection with relevant related party arrangements. These rules reduce the ability for multinational businesses with at least \$2 million in debt deductions (on an associate inclusive basis) to create debt through internal transactions in order to utilise any additional debt deduction capacity under the above tests. The debt deduction creation rules apply to income years commencing on or after 1 July 2024.

More information

[Labor's plan to ensure multinationals pay their fair share of tax](#) 
media release – Andrew Leigh, MP

QC 70733

Single Touch Payroll – Employer Standing Declaration

The Government has announced changes to reduce the administrative burden for employers reporting under STP.

Last updated 12 December 2024


As part of the 2023–24 Budget, the Australian Government announced a suite of changes aimed at driving collaboration with small business to reduce the time spent complying with tax obligations, including this Single Touch Payroll (STP) measure.

The measure aims to reduce the administrative burden for employers reporting under STP through the ability to make a standing declaration,

covering multiple lodgments of STP information by their agent.

This measure received Royal Assent on 10 December 2024.

For more information see:

- [Treasury Laws Amendment \(2024 Tax and Other Measures No. 1\) Bill 2024](#) 
- Authorisations to act

QC 103064

Small Business Support – \$20,000 instant asset write-off

Temporary increase of the instant asset write-off limit from \$1,000 to \$20,000 for the 2024-25 income year.

Last updated 28 March 2025

On 14 May 2024, as part of the 2024–25 Budget, the government announced it will continue to provide support for small businesses by extending the \$20,000 instant asset write-off limit for a further 12 months until 30 June 2025.

This measure is now law.

Under the measure small businesses with an aggregated turnover of less than \$10 million, can deduct:

- the full cost of eligible depreciating assets costing less than \$20,000 that are first used or installed ready for use between 1 July 2024 and 30 June 2025
- an amount included in the second element (cost addition) of eligible depreciating asset's cost that they have incurred between 1 July 2024 and 30 June 2025, if they claimed an immediate deduction for the asset under the simplified depreciation rules in a prior income year where the amount is:
 - the first amount of second element cost incurred after the end of the income year in which the asset was written off; and

- less than \$20,000.

The \$20,000 limit under the measures applies on a per asset basis, so small businesses can instantly write off multiple assets.

Assets valued at \$20,000 or more can continue to be placed into the small business simplified depreciation pool and depreciated at 15% in the first income year and 30% each income year after that. In addition, pool balances under \$20,000 at the end of 2024-25 income year can be written off.

More information:

- [Treasury Laws Amendment \(Tax Incentives and Integrity\) Act 2025](#)
[↗](#)
- Instant asset write-off | Australian Taxation Office (ato.gov.au)

QC 72501

Strengthen penalty and shortfall interest charge provisions

Changes to strengthen penalty and shortfall interest charge provisions.

Last updated 5 May 2025

On this page

[Announced measures](#)

[Shortfall interest charge changes](#)

On 18 December 2024, as part of the [2024–25 Mid-Year Economic Fiscal Outlook](#) [↗](#), the Government announced it will amend the tax law to strengthen Australia's current tax penalty and interest regimes.

Announced measures

The Government announced it will amend the tax law to:

- ensuring tax scheme penalties apply where taxpayers are in a loss position, from 1 July 2026
- penalising large taxpayers that mischaracterise or undervalue interest or dividend payments, to which withholding tax would otherwise apply, starting from 1 July 2026.

These measures target gaps within the current tax penalty regime to improve tax compliance and integrity of the tax system, and to strengthen the disincentives for tax avoidance.


These measures are not yet law.

Shortfall interest charge changes

The Government announced that it will extend shortfall interest charge to repayments of overclaimed tax offsets. The amendment to the law is contained in the *Future Made in Australia (Production Tax Credit and Other Measures) Act 2025*.

Where an assessment of an entity's tax liabilities is amended and, as a result, the amount of the tax offset for which the entity is eligible is reduced, the entity is liable to pay shortfall interest charge on the excessive amount of tax offset they received.

These changes apply to assessments made on and after 1 April 2025. This measure is now law.

For more information, see [Future Made in Australia \(Production Tax Credits and Other Measures\) Act 2025](#) 

QC 103598

New Royalty Penalty and withdrawal of intangibles measure

The government will introduce a new penalty provision for royalty withholding tax.

Published 8 July 2025

On 14 May 2024, as part of the 2024–25 Budget, the Government announced from 1 July 2026 it will introduce a new penalty for taxpayers with more than \$1 billion in global turnover annually, who have mischaracterised or undervalued royalty payments to which withholding tax would normally apply. This measure is not yet law.

The government also announced it will no longer proceed with the 2022–23 October Budget measure *Multinational Tax Integrity Package – denying deductions for payments relating to intangibles held in low - or no-tax jurisdictions*.

More information


- [Budget Paper no.2 \(PDF, 2.6MB\)](#) 

QC 105156

Tax integrity – expanding the general anti-avoidance rule in the income tax law

The Government announced it will widen the scope of the general anti-avoidance rule for income tax.

Published 8 July 2025

On 9 May 2023, as part of the [2023–24 Budget](#) , the Australian Government announced it will improve the integrity of the tax system by expanding the scope of the general anti-avoidance rule for income tax.

This measure is not yet law.

The general anti-avoidance rule for income tax will be expanded to include schemes that:

- reduce tax paid in Australia by accessing a lower withholding tax rate on income paid to foreign residents
- achieve an Australian income tax benefit, even where the dominant purpose was to reduce foreign income tax.

This measure will apply to income years commencing on or after 1 July 2024, regardless of whether the scheme was entered into before that date.

QC 105157

Changes to offsetting debts on hold

The Commissioner of Taxation will be given the discretion not to apply refunds or credits to debts on hold.

Published 8 July 2025

On 14 May 2024, as part of the 2024–25 Budget, the Government announced it will provide the Commissioner of Taxation with the discretion not to apply refunds or credits owing to a taxpayer against debts that:

- were put on hold before 1 January 2017, and
- the Commissioner is not currently pursuing recovery of that debt, and
- the taxpayer is an individual, small business or not-for-profit entity.

This measure is not yet law.

More information:

- [Budget Paper no.2 \(PDF,2.6MB\)](#) 
- Debts on hold

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