



Tax Laws Amendment (2011 Measures No. 3) Act 2011

No. 51, 2011

**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/>)

Contents

1	Short title	1
2	Commencement	2
3	Schedule(s)	2
Schedule 1—12-month export period for the GST-free supply of new recreational boats		3
	<i>A New Tax System (Goods and Services Tax) Act 1999</i>	3
Schedule 2—General interest charge		6
	<i>Income Tax (Transitional Provisions) Act 1997</i>	6



Tax Laws Amendment (2011 Measures No. 3) Act 2011

No. 51, 2011

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

[Assented to 27 June 2011]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Tax Laws Amendment (2011 Measures No. 3) Act 2011*.

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 this Act receives the Royal Assent.	27 June 2011
2. Schedule 1	1 July 2011.	1 July 2011
3. Schedule 2	Immediately after the commencement of Schedule 1 to the <i>Tax Laws Amendment (Transfer of Provisions) Act 2010</i> .	1 July 2010

Note: This table relates only to the provisions of this Act as originally enacted.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 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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—12-month export period for the GST-free supply of new recreational boats

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

1 Subsection 38-185(1) (after table item 4)

Insert:

- 4A Export of new recreational boats a supply of a *ship, but only if:
- (a) the ship is a *new recreational boat on the earliest day (the *receipt day*) on which one or more of the following occurs:
 - (i) the *recipient takes physical possession of the ship;
 - (ii) if *consideration for the supply is provided in instalments under a contract that requires the ship to be exported—the supplier receives any of the final instalment;
 - (iii) if consideration for the supply is provided in instalments under a contract that requires the ship to be exported—the supplier gives an *invoice for the final instalment; and
 - (b) the supplier or recipient exports the ship from Australia within 12 months (or such further period as the Commissioner allows) after the receipt day; and
 - (c) subsection (6) does not apply at any time during the period:
 - (i) starting on the receipt day; and
 - (ii) ending when the supplier or recipient exports the ship.

2 At the end of section 38-185

Add:

Export of new recreational boats

- (5) For the purposes of item 4A of the table in subsection (1), the *ship is a *new recreational boat* if the ship:
- (a) has not been substantially reconstructed; and

- (b) has not been sold, leased or used since the completion of its construction, except in connection with:
 - (i) the supply or acquisition of the ship as stock held for the purpose of sale or exchange in *carrying on an *enterprise; or
 - (ii) the supply mentioned in that item, or the acquisition of the ship by the *recipient as mentioned in that item; and
 - (c) was designed, and is fitted out, principally for use in activities done as private recreational pursuits or hobbies; and
 - (d) is not a commercial ship.
- (6) For the purposes of item 4A in the table in subsection (1), this subsection applies if, apart from use of the *ship by the supplier in connection with the supply of the ship to the *recipient, the *ship is used:
- (a) as security for the performance of an obligation (other than an obligation relating to the acquisition of the ship); or
 - (b) in *carrying on an *enterprise in Australia; or
 - (c) in Australia in carrying on an enterprise outside Australia, not including use that involves the ship being used:
 - (i) in a way that is private or domestic in nature; or
 - (ii) in an activity, or series of activities, done as a private recreational pursuit or hobby; or
- Example: Allowing an employee to live on the ship, or to take the ship on a fishing trip.
- (d) for *consideration, unless the consideration:
 - (i) consists of the provision of services by an employee of an enterprise carried on by the *recipient outside Australia; or
 - (ii) is in respect of the recipient competing in a race or other sporting event (e.g. a prize).

3 Section 195-1

Insert:

new recreational boat has the meaning given by subsection 38-185(5).

4 Application provision

The amendments made by this Schedule apply to supplies that:

- (a) are made under contracts entered into on or after the commencement of this item; and
- (b) are not made pursuant to rights or options granted before that commencement.

Schedule 2—General interest charge

Income Tax (Transitional Provisions) Act 1997

1 Section 5-5

Before “Division 5”, insert “Subject to section 5-15 of this Act.”.

2 Section 5-10 (heading)

Repeal the heading, substitute:

5-10 General interest charge liabilities under former subsection 204(3)

3 At the end of Division 5

Add:

5-15 Application of section 5-15 of the *Income Tax Assessment Act 1997*

- (1) Section 5-15 of the *Income Tax Assessment Act 1997* (General interest charge payable on unpaid income tax or shortfall interest charge), as originally enacted, applies to an amount of income tax or shortfall interest charge you must pay for a financial year, if the income tax or shortfall interest charge is due to be paid on or after the commencement of that section.
- (2) For the purposes of subsection (1), it does not matter whether the financial year ended before, on or after the commencement of that section.

4 Former subsection 204(3) of the *Income Tax Assessment Act 1936*

For the purposes of applying, at a particular time, former subsection 204(3) of the *Income Tax Assessment Act 1936* in relation to any tax, it does not matter whether the tax had been assessed at that time.

*[Minister's second reading speech made in—
House of Representatives on 12 May 2011
Senate on 14 June 2011]*

(78/11)
