



Income Tax Rates Amendment (Managed Investment Trusts) Act 2016

No. 49, 2016

An Act to amend the *Income Tax Rates Act 1986*

Note: An electronic version of this Act is available on the Federal Register of Legislation (<https://www.legislation.gov.au/>)

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An Act to amend the *Income Tax Rates Act 1986*

[Assented to 5 May 2016]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Income Tax Rates Amendment (Managed Investment Trusts) Act 2016*.

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
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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. | 5 May 2016 |
| 2. Schedule 1 | At the same time as Schedule 1 to the <i>Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016</i> commences. However, if that Schedule does not commence, the provisions do not commence at all. | 5 May 2016 |

Note: This table relates only to the provisions of this Act as originally enacted.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Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—Amendments

Income Tax Rates Act 1986

1 Subsection 3(1)

Insert:

AMIT (short for attribution managed investment trust) has the same meaning as in the *Income Tax Assessment Act 1997*.

attribution managed investment trust: see *AMIT*.

determined member component has the same meaning as in the *Income Tax Assessment Act 1997*.

managed investment trust has the same meaning as in the *Income Tax Assessment Act 1997*.

2 At the end of subparagraph 5(a)(i)

Add “or”.

3 At the end of subparagraph 5(a)(ii)

Add “or”.

4 At the end of subparagraph 5(a)(iii)

Add “or”.

5 At the end of paragraph 5(a)

Add:

- (v) a person in the capacity of a trustee of an AMIT, being a person who is liable to be assessed and to pay tax under paragraph 276-105(2)(b) or (c) of the *Income Tax Assessment Act 1997*; or

6 At the end of subparagraph 5(b)(i)

Add “or”.

7 At the end of subparagraph 5(b)(ii)

Add “or”.

8 At the end of subparagraph 5(b)(iii)

Add “or”.

9 At the end of paragraph 5(b)

Add:

; or (v) a company in the capacity of a trustee of an AMIT, being a company that is liable to be assessed and to pay tax under paragraph 276-105(2)(b) or (c) of the *Income Tax Assessment Act 1997*.

10 After subsection 12(6)

Insert:

(6A) The rate of tax payable by a trustee under paragraph 276-105(2)(a) of the *Income Tax Assessment Act 1997* is as set out in Schedule 10A.

11 At the end of section 12

Add:

(10) The rate of tax payable by a trustee of a managed investment trust under subsection 275-605(2) of the *Income Tax Assessment Act 1997* is 30%.

(11) The rate of tax payable by a trustee of an AMIT under subsection 276-405(2) of the *Income Tax Assessment Act 1997* is 45%.

(12) The rate of tax payable by a trustee of an AMIT under subsection 276-415(2) of the *Income Tax Assessment Act 1997* is 45%.

(13) The rate of tax payable by a trustee of an AMIT under subsection 276-420(2) of the *Income Tax Assessment Act 1997* is 45%.

12 After section 28

Insert:

28A Rates of tax payable by trustees of AMITs under paragraph 276-105(2)(b) or (c) of the *Income Tax Assessment Act 1997*

The rates of tax payable by a trustee of an AMIT under paragraph 276-105(2)(b) or (c) of the *Income Tax Assessment Act 1997* are:

- (a) if paragraph 276-105(2)(b) of the *Income Tax Assessment Act 1997* applies—the rate specified in paragraph 23(2)(b) (about companies other than small business entities); and
- (b) if paragraph 276-105(2)(c) of that Act applies—the maximum rate specified in column 3 of the table in Part II of Schedule 7 to this Act that applies for the year of income.

Note: If paragraph 276-105(2)(a) of the *Income Tax Assessment Act 1997* applies, see subsection 12(6A).

13 Subsection 35(1) (after table item 3)

Insert:

| | | |
|----|-------------------|---|
| 3A | Subsection 12(11) | Rate for subsection 276-405(2) of the <i>Income Tax Assessment Act 1997</i> |
| 3B | Subsection 12(12) | Rate for subsection 276-415(2) of the <i>Income Tax Assessment Act 1997</i> |
| 3C | Subsection 12(13) | Rate for subsection 276-420(2) of the <i>Income Tax Assessment Act 1997</i> |

14 After paragraph 35(2)(a)

Insert:

- (aa) paragraph 28A(b) (rate for paragraph 276-105(2)(c) of the *Income Tax Assessment Act 1997*);

15 After Schedule 10

Insert:

Schedule 10A—Rates of tax payable by an AMIT trustee under paragraph 276-105(2)(a) of the *Income Tax Assessment Act 1997*

Note: See subsection 12(6A).

Schedule 1 Amendments

In the case of a trustee who is liable to be assessed and to pay tax under paragraph 276-105(2)(a) of the *Income Tax Assessment Act 1997* in respect of an amount mentioned in subsection 276-105(3) of that Act, the rate of tax in respect of that amount is the rate that would be payable under Part II of Schedule 7 if one individual were liable to be assessed and to pay tax on that amount as his or her taxable income.

[*Minister's second reading speech made in—
House of Representatives on 3 December 2015
Senate on 4 May 2016*]

(228/15)
