



Treasury Laws Amendment (2020 Measures No. 3) Act 2020

No. 61, 2020

**An Act to amend the law relating to taxation,
international monetary agreements and the cash
flow boost, and for related purposes**

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 law relating to taxation,
international monetary agreements and the cash
flow boost, and for related purposes**

[Assented to 19 June 2020]

The Parliament of Australia enacts:

1 Short title

This Act is the *Treasury Laws Amendment (2020 Measures No. 3) Act 2020*.

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.	19 June 2020
2. Schedule 1, Part 1	The day after this Act receives the Royal Assent.	20 June 2020
3. Schedule 1, Part 2	<p>The latest of the following:</p> <p>(a) the start of 1 January 2021;</p> <p>(b) immediately after the commencement of the provisions covered by table item 2;</p> <p>(c) the start of the day Decision No. 16645-(20/5) of the Executive Board of the International Monetary Fund, dated 16 January 2020, comes into force for Australia.</p> <p>However, the provisions do not commence at all if the event mentioned in paragraph (c) does not occur.</p> <p>The Minister must announce, by notifiable instrument, the day the decision comes into force for Australia.</p>	
4. Schedule 1, Part 3	<p>The later of:</p> <p>(a) the start of 2 January 2021; and</p> <p>(b) immediately after the commencement of the provisions covered by table item 2.</p>	2 January 2021
5. Schedule 2	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	1 July 2020

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
6. Schedules 3 and 4	The day after this Act receives the Royal Assent.	20 June 2020
7. Schedule 5, Part 1	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	1 July 2020
8. Schedule 5, Part 2	1 July 2025.	1 July 2025
9. Schedule 6	The day after this Act receives the Royal Assent.	20 June 2020

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—International monetary agreements

Part 1—Amendments commencing day after Royal Assent

International Monetary Agreements Act 1947

1 Section 3 (after paragraph (d) of the definition of *New Arrangements to Borrow*)

Insert:

- ; (f) any other decision of the Executive Board of the Fund that is notified under subsection 8B(3).

2 At the end of subsection 6(1)

Add:

- ; or (d) its obligations under an agreement entered into under section 8CAB.

3 At the end of section 8B

Add:

Amendment or renewal of the New Arrangements to Borrow

- (3) The Treasurer may, by legislative instrument, give notice of an amendment or renewal of the New Arrangements to Borrow by a decision of the Executive Board of the Fund.

Note: References to the New Arrangements to Borrow in this Act only incorporate references to amendments that are set out in the definition of *New Arrangements to Borrow* in section 3 or notified under this subsection (see paragraph (f) of that definition).

- (4) A legislative instrument under subsection (3) commences at the later of the following days or times:
- (a) the earliest day or time applicable under subsection 12(1) of the *Legislation Act 2003*;
 - (b) the start of the day immediately after the last day on which a resolution referred to in subsection 42(1) of the *Legislation Act 2003* disallowing the instrument could be passed.

4 After section 8CAA

Insert:

8CAB Further agreements to provide loans to the Fund

- (1) The Minister may, on behalf of Australia, enter into one or more agreements with the Fund that:
 - (a) provide for Australia to provide loans to the Fund; and
 - (b) contain terms and conditions determined by the Minister.
- (2) The Consolidated Revenue Fund is appropriated for the purposes of payments by Australia under an agreement referred to in subsection (1).

Part 2—Decision amending New Arrangements to Borrow

International Monetary Agreements Act 1947

5 Section 3 (after paragraph (d) of the definition of *New Arrangements to Borrow*)

Insert:

(e) Decision No. 16645-(20/5), dated 16 January 2020;

Part 3—Expiry of IMF loan agreement 2016

International Monetary Agreements Act 1947

6 Section 3 (definition of *IMF loan agreement 2016*)

Repeal the definition.

7 Paragraph 6(1)(c)

Repeal the paragraph.

8 Section 8CAA

Repeal the section.

Schedule 2—Deductible gift recipients—new specific recipients

Income Tax Assessment Act 1997

1 In the appropriate position in subsection 30-40(2) (table)

Insert:

3.2.16	The Samuel Griffith Society Inc.	the gift must be made after 30 June 2019
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2 In the appropriate position in section 30-105 (table)

Insert:

13.2.25	Friends of Myall Creek Memorial Incorporated	the gift must be made after 30 June 2019
13.2.26	Toy Libraries Australia Inc.	the gift must be made after 30 June 2019

3 Section 30-315 (after table item 50C)

Insert:

50D	Friends of Myall Creek Memorial Incorporated	item 13.2.25
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4 Section 30-315 (after table item 105)

Insert:

106	Samuel Griffith Society Inc.	item 3.2.16
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5 Section 30-315 (after table item 116)

Insert:

116AA	Toy Libraries Australia Inc.	item 13.2.26
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Schedule 3—International financial assistance

International Monetary Agreements Act 1947

1 Paragraph 8C(1)(a)

Repeal the paragraph, substitute:

- (a) the Treasurer is satisfied that a Fund program operates, or is to operate, for the benefit of a country other than Australia (the *recipient country*); and

2 Paragraph 8C(1)(b)

Omit “in response to a similar request from the Fund”, substitute “in support of the Fund program”.

3 Subsection 8C(2)

Omit “of the suspension, or premature termination, of the Fund program”, substitute “that the Fund program fails to commence, is suspended, or terminates prematurely”.

Schedule 4—Extending the instant asset write-off

Income Tax Assessment Act 1997

1 Section 40-82 (heading)

Omit “income years ending between 2 April 2019 and 30 June 2020”, substitute “assets first acquired between 2 April 2019 and 31 December 2020”.

2 Paragraphs 40-82(1)(a) to (d)

Repeal the paragraphs (not including the note), substitute:

- (a) you are an entity covered by subsection (4) (about medium sized businesses) for:
 - (i) the current year; and
 - (ii) the income year in which you started to hold the asset; and
- (b) you first acquired the asset:
 - (i) at or after 7.30 pm, by legal time in the Australian Capital Territory, on 2 April 2019; and
 - (ii) before 12 March 2020; and
- (c) the current year ends on or after 2 April 2019; and
- (d) you start to use the asset, or have it installed ready for use, for a taxable purpose before 12 March 2020; and
- (e) the asset is a depreciating asset whose *cost as at the end of the current year is less than \$30,000.

3 After subsection 40-82(2)

Insert:

- (2A) The decline in value of a *depreciating asset you *hold for the income year (the *current year*) in which you start to use the asset, or have it *installed ready for use, for a *taxable purpose is the amount worked out under subsection (2B) if:
 - (a) you are an entity covered by subsection (4) (about medium sized businesses), or by subsection (4A) (about medium sized businesses and certain assets) in relation to the asset, for:

- (i) the current year; and
- (ii) the income year in which you started to hold the asset; and
- (b) you first acquired the asset:
 - (i) at or after 7.30 pm, by legal time in the Australian Capital Territory, on 2 April 2019; and
 - (ii) on or before 31 December 2020; and
- (c) the current year ends on or after 12 March 2020; and
- (d) you start to use the asset, or have it installed ready for use, for a taxable purpose:
 - (i) on or after 12 March 2020; and
 - (ii) on or before 31 December 2020; and
- (e) the asset is a depreciating asset whose *cost as at the end of the earlier of:
 - (i) the end of the current year; and
 - (ii) 31 December 2020;
 is less than \$150,000.

Note: The amount you can deduct may be reduced by other provisions, such as subsection 40-25(2) (about taxable purpose) and section 40-215 (about double deductions).

- (2B) The amount is:
- (a) unless paragraph (b) applies—the asset’s *cost as at the earlier of:
 - (i) the end of the current year; and
 - (ii) 31 December 2020; or
 - (b) if the asset’s *start time occurred in an earlier income year—the sum of:
 - (i) the asset’s *opening adjustable value for the current year; and
 - (ii) any amount included in the second element of the asset’s cost for the current year, other than an amount included after 31 December 2020.

4 Paragraphs 40-82(3)(a) and (b)

Repeal the paragraphs, substitute:

- (a) you are an entity covered by subsection (4) (about medium sized businesses) for the later year; and

- (aa) the amount is included before 12 March 2020; and
- (b) the amount included is less than \$30,000; and

5 Paragraph 40-82(3)(d)

Repeat the paragraph (not including the note), substitute:

- (d) the later year ends on or after 2 April 2019.

6 After subsection 40-82(3)

Insert:

- (3A) The decline in value of a *depreciating asset you *hold for an income year (the *later year*) is the first amount included in the second element of the asset's *cost for the later year if:
 - (a) you are an entity covered by subsection (4) (about medium sized businesses), or by subsection (4B) (about medium sized businesses and certain amounts) in relation to the amount, for the later year; and
 - (b) the amount is included:
 - (i) on or after 12 March 2020; and
 - (ii) on or before 31 December 2020; and
 - (c) the amount included is less than \$150,000; and
 - (d) you worked out the decline in value of the asset for an earlier income year under subsection (1) or (2A); and
 - (e) the later year ends on or after 12 March 2020.

Note: The amount you can deduct may be reduced by other provisions, such as subsection 40-25(2) (about taxable purpose) and section 40-215 (about double deductions).

7 Subsection 40-82(4A)

Omit "subsection (1)", substitute "subsection (2A)".

8 Paragraph 40-82(4A)(a)

Omit "30 June 2020", substitute "31 December 2020".

9 Subsection 40-82(4B)

Omit "subsection (3)", substitute "subsection (3A)".

10 Paragraph 40-82(4B)(a)

Omit "30 June 2020", substitute "31 December 2020".

11 Subsection 40-82(5)

Repeal the subsection, substitute:

Assets you start to use, or have installed ready for use, after 31 December 2020

- (5) The decline in value of a *depreciating asset you start to use, or have *installed ready for use, for a *taxable purpose after 31 December 2020 is worked out under the other provisions of this Division.

Amounts included in second element of cost after 31 December 2020

- (6) The effect on the value of a *depreciating asset of an amount included in the second element of the asset's *cost after 31 December 2020 is worked out under the other provisions of this Division.

12 Paragraph 328-180(1)(b) (note)

Omit “30 June 2020: see subsection 328-180(4)”, substitute “31 December 2020: see subsections 328-180(4) and (4A)”.

13 Paragraph 328-180(2)(a) (note)

Omit “30 June 2020”, substitute “31 December 2020”.

14 At the end of paragraph 328-180(2)(b)

Add:

Note: Paragraph (b) may not apply for costs included after 31 December 2020 for assets you first acquire between 12 May 2015 and 31 December 2020: see subsection 328-180(5A) of the *Income Tax (Transitional Provisions) Act 1997*.

15 Paragraph 328-180(3)(a) (note)

Omit “30 June 2020”, substitute “31 December 2020”.

16 Subsection 328-210(1) (note 2)

Omit “30 June 2020”, substitute “31 December 2020”.

17 Subsections 328-250(1) and (4) and 328-253(4) (note)

Omit “30 June 2020: see subsection 328-180(4)”, substitute
“31 December 2020: see subsections 328-180(4) and (4A)”.

Income Tax (Transitional Provisions) Act 1997

18 Section 328-180 (heading)

Omit “30 June 2020”, substitute “31 December 2020”.

19 Subsection 328-180(1) (definition of *increased access year*)

Repeal the definition, substitute:

increased access year: an income year is an *increased access year* if any day in the year occurs:

- (a) on or after 12 May 2015; and
- (b) on or before 31 December 2020.

20 Subsection 328-180(4) (heading)

Omit “\$20,000 or \$25,000”, substitute “\$150,000”.

21 Subparagraph 328-180(4)(c)(ii)

Omit “time; or”, substitute “time.”.

22 Paragraph 328-180(4)(d)

Repeal the paragraph.

23 After subsection 328-180(4)

Insert:

(4A) Paragraph 328-180(1)(b) of the *Income Tax Assessment Act 1997* applies to a depreciating asset as if:

- (a) a reference in that paragraph to the end of the income year in which you start to use the asset, or have it installed ready for use, for a taxable purpose were a reference the earlier of:
 - (i) the end of that year; and
 - (ii) 31 December 2020; and
- (b) a reference in that paragraph to \$1,000 were a reference to \$150,000;

if:

- (c) you first acquired the asset at or after the 2015 budget time;
and
- (d) you:
 - (i) first used the asset, for a taxable purpose, at or after the 2020 announcement time and on or before 31 December 2020; or
 - (ii) first installed the asset ready for use, for a taxable purpose, at or after the 2020 announcement time and on or before 31 December 2020.

24 Subparagraph 328-180(5)(d)(ii)

Omit “30 June 2020”, substitute “31 December 2020”.

25 After subsection 328-180(5)

Insert:

- (5A) For the purposes of determining whether, under subsection 328-180(2) of the *Income Tax Assessment Act 1997*, you can deduct, for an income year (the **current year**), the taxable purpose proportion of an amount included in the second element of the cost of an asset, disregard paragraph (b) of that subsection if:
 - (a) you first acquired the asset at or after the 2015 budget time;
and
 - (b) you started to use the asset, or have it installed ready for use, for a taxable purpose:
 - (i) at or after the 2020 announcement time; and
 - (ii) before or during the current year; and
 - (iii) on or before 31 December 2020; and
 - (c) the amount is so included:
 - (i) before or during the current year; and
 - (ii) after 31 December 2020.

26 Subparagraph 328-180(6)(d)(ii)

Omit “30 June 2020”, substitute “31 December 2020”.

Schedule 5—Reduction in 2020-21 PAYG instalments

Part 1—Amendments

Taxation Administration Act 1953

1 At the end of section 45-405 in Schedule 1

Add:

Nil GDP adjustment for 2020-21 income year

- (8) Despite subsections (3) and (6), if the current year is the 2020-21 income year, then for the purposes of the formula in subsection (2) the **GDP adjustment** is 0%.

Note: This subsection will be repealed on 1 July 2025: see Part 2 of Schedule 5 to the *Treasury Laws Amendment (2020 Measures No. 3) Act 2020*.

2 Application

- (1) The amendment made by item 1 of this Part applies for the purposes of working out the amount of an instalment for an instalment quarter starting on or after the start date.
- (2) In this item:

start date means:

- (a) unless paragraph (b) applies—1 July 2020; or
(b) if the *Treasury Laws Amendment (2020 Measures No. 3) Act 2020* receives the Royal Assent on or after 21 August 2020—1 October 2020.

Part 2—Sunsetting

Taxation Administration Act 1953

3 Subsection 45-405(8) in Schedule 1

Repeal the subsection.

Schedule 6—Cash flow boost

Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020

1 Subsection 4(1)

Insert:

alienated personal services payment has the meaning given by section 13-10 in Schedule 1 to the *Taxation Administration Act 1953*.

2 Subsection 4(4)

Repeal the subsection, substitute:

- (4) An entity's *withholding period total* for a period is the total of the following:
- (a) the total of all amounts that the entity withholds under Subdivision 12-B, 12-C or 12-D in Schedule 1 to the *Taxation Administration Act 1953* from payments that it makes in the period;
 - (b) the total of all amounts that the entity must pay under Division 13 in that Schedule in relation to alienated personal services payments that it receives in the period (regardless of whether the entity actually pays the amounts).

3 Paragraphs 5(1)(a) and (b)

Repeal the paragraphs, substitute:

- (a) any of the following requirements are satisfied:
- (i) the entity makes a payment in the period and must withhold an amount from the payment under Subdivision 12-B, 12-C or 12-D in Schedule 1 to the *Taxation Administration Act 1953* (regardless of whether the entity actually withholds the amount);
 - (ii) the entity must pay an amount under Division 13 in that Schedule in relation to an alienated personal services payment that it receives in the period (regardless of whether the entity actually pays the amount); and

4 Application

The amendments made by this Schedule apply in relation to an entitlement for a cash flow boost in respect of a period starting on or after 1 January 2020.

*[Minister's second reading speech made in—
House of Representatives on 12 June 2020
Senate on 18 June 2020]*

(81/20)
