

NORTHERN TERRITORY OF AUSTRALIA

DEBITS TAX ACT 1990

No. 55 of 1990

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NORTHERN TERRITORY OF AUSTRALIA

No. 55 of 1990

AN ACT

for the imposition and collection of a tax in
respect of certain debits made to accounts
kept with financial institutions
and for other purposes

[Assented to 14 December 1990]

BE it enacted by the Legislative Assembly of the Northern Territory of Australia, with the assent as provided by the *Northern Territory (Self-Government) Act 1978* of the Commonwealth, as follows:

PART 1 - PRELIMINARY

1. SHORT TITLE

This Act may be cited as the *Debits Tax Act 1990*.

2. COMMENCEMENT

This Act shall come into operation or be deemed to have come into operation, as the case requires, on the commencement of section 4A of the *Debits Tax Act 1982* of the Commonwealth.

3. PURPOSE

The purpose of this Act is to give effect to arrangements with the Commonwealth for the transfer of the benefit of the Debits Tax to the Territory and for that purpose to provide for -

- (a) the imposition and collection of the Debits Tax; and
 - (b) the making of arrangements with the Commonwealth about matters connected with the administration of this Act.
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4. INTERPRETATION

(1) In this Act, unless the contrary intention appears -

"applied provisions" means the provisions applying by reason of section 10;

"Commissioner" has the same meaning as in the applied provisions;

"Commonwealth Act" means the *Debits Tax Administration Act 1982* of the Commonwealth.

(2) In this Act and the applied provisions, a reference to a Commonwealth Act includes a reference to that Act as amended and in force for the time being and to an Act passed in substitution for that Act.

5. INCORPORATION

The applied provisions are incorporated and shall be read as one with this Act.

PART 2 - IMPOSITION AND AMOUNT OF TAX

6. IMPOSITION OF TAX

(1) Tax is imposed in respect of -

(a) each taxable debit of not less than \$1 made to a taxable account;

(b) each eligible debit of not less than \$1 made to an exempt amount; and

(c) each eligible debit of not less than \$1 made to an account kept outside the Territory if -

(i) at the time when the debit is made, the person in whose name, or either or any of the persons in whose names, the account is kept is a resident or are residents of the Northern Territory; and

(ii) it would be concluded that the account was used in connection with the transaction that resulted in the debit for the purpose, or for the purposes that included the purpose, of enabling -

(A) the person in whose name, or either or any of the persons in whose names, the account is kept; or

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(B) any other person,

to avoid liability for payment of the tax that would have been imposed if the debit that resulted from that transaction had been made in an account kept in the Territory.

(2) The conclusion referred to in subsection (1)(c)(ii) may not be drawn if, under the law of the place where the account is kept, the person concerned would be liable, in relation to the use of the account, to pay tax of a similar kind to the tax imposed by this section.

7. AMOUNT OF TAX

The amount of tax in respect of a taxable debit or eligible debit is the amount set out in Column 2 of Schedule 1 opposite to the reference in Column 1 of Schedule 1 to the range of amounts within which the amount of that debit is included.

8. ACCOUNTS KEPT OUTSIDE TERRITORY

A reference in this Part to a debit made to an account kept outside the Territory includes a reference to a debit made to an account (in this section called a "non-bank account") kept outside the Territory with a building society, credit union or similar body (including an account kept by way of withdrawable share capital in, or money deposited with, the body) if -

- (a) another account is kept with a bank in the name of the body; and
- (b) the non-bank account has characteristics such that a cheque may be drawn on the bank by the body and, at a time when it is incomplete, be delivered by the body to a customer under an agreement under which -
 - (i) the customer is authorised to fill up the cheque; and
 - (ii) the body is authorised, for the purpose of making a payment to the bank to enable the bank to honour the cheque, to debit the non-bank account.

PART 3 - LIABILITY TO TAX AND APPLICATION OF COMMONWEALTH ACT

9. LIABILITY TO TAX

(1) A financial institution with which a taxable account is kept and the account holder (or, if there are 2 or more account holders, those account holders) are

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jointly and severally liable to pay the tax imposed by this Act on a taxable debit made to the account.

(2) The account holder of an account other than a taxable account is liable (or, if there are 2 or more account holders, those account holders are jointly and severally liable) to pay the tax imposed by this Act on an eligible debit made to the account.

10. COMMONWEALTH ACT APPLIES AS LAW OF TERRITORY

The Commonwealth Act (other than sections 1, 2, 6 and 8) applies as a law of the Territory and so applies as if amended as set out in Schedule 2.

PART 4 - ARRANGEMENTS WITH COMMONWEALTH

11. ARRANGEMENTS FOR AND ADMINISTRATION OF ACT

(1) The Commissioner may make an arrangement with the Commissioner of Taxation appointed under the *Taxation Administration Act 1953* of the Commonwealth about any matter connected with the administration of this Act.

(2) In particular, an arrangement under subsection (1) may provide -

- (a) for the performance of functions and exercise of powers conferred under section 12 by the Commissioner of Taxation or a Second Commissioner of Taxation; or
- (b) for the performance of functions or exercise of powers of the Commissioner under this Act by officers or employees under the control of the Commissioner of Taxation.

12. CONFERRAL OF FUNCTIONS AND POWERS ON COMMISSIONER OF TAXATION

(1) Subject to subsection (2), the Commissioner of Taxation of the Commonwealth and the Second Commissioners of Taxation have the functions and powers of the Commissioner under this Act.

(2) The Commissioner of Taxation or a Second Commissioner shall not perform a function or exercise a power conferred by subsection (1) except in accordance with an arrangement made under section 11.

PART 5 - PENAL PROVISIONS

13. OFFENCES

(1) A person shall not -

- (a) fail or neglect to furnish any return or information or comply with a requirement of the

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- Commissioner as and when required by this Act or by the Commissioner;
- (b) without just cause, refuse or neglect to attend and give evidence when required by the Commissioner or an officer employed in the administration of this Act and duly authorised by the Commissioner, or to answer truly and fully a question put to the person; or
 - (c) make or deliver a return which is false in a material particular or makes a false answer whether orally or in writing.

Penalty: \$1,000.

(2) A person shall not, without just cause, refuse or neglect to produce any books required of the person by the Commissioner or any officer employed in the administration of this Act and duly authorised by the Commissioner.

Penalty: \$500.

(3) A person who, after conviction for an offence against this section, continues to fail to comply with the requirements in respect of which he or she was convicted is guilty of an offence and punishable as provided in section 14.

(4) If an offence against this section arises under subsection (1)(a) or (b) or under subsection (2) by reason of the neglect or failure of a person to do any thing within a particular period, the offence is, for the purposes of subsection (3), taken to continue for as long as the thing remains undone, despite the lapsing of that period.

14. EVADING TAX

A person shall not, by any wilful act, default or neglect, or by any fraud, act or contrivance whatever, evade or attempt to evade tax chargeable under this Act.

Penalty: \$1,000 and treble the amount of tax evaded or attempted to be evaded.

15. TIME FOR COMMENCING PROSECUTIONS

(1) A prosecution in respect of an offence against section 14 may be commenced at any time within 3 years after the commission of the offence.

(2) A prosecution in respect of an offence arising under section 13(1)(a) or (c) may be commenced at any time.

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16. PENALTIES NOT TO RELIEVE FROM TAX

Payment of a penalty under this Act does not relieve a person from liability to any tax for which he or she would otherwise be liable.

17. OBSTRUCTING OFFICERS

A person who obstructs or hinders a person acting in the administration of this Act is guilty of an offence.

Penalty: \$500.

18. OFFENCES BY BODIES CORPORATE

(1) If a body corporate is guilty of an offence against this Act, an officer of the body corporate who was knowingly a party to the commission of the offence is also guilty of that offence and liable to the penalty for that offence.

(2) In this section, "officer", in relation to a body corporate, includes a person who is an officer of the body corporate within the meaning of section 5(1) of the *Companies (Northern Territory) Code*.

PART 6 - GENERAL

19. PAYMENTS FROM CONSOLIDATED FUND

If the Commissioner becomes liable to pay an amount under this Act, that amount shall be paid from the Consolidated Fund which is hereby to the necessary extent appropriated accordingly.

20. CERTIFICATE OF EXEMPTION

A certificate of exemption in force under section 11 of the Commonwealth Act immediately before the commencement of this section continues, until it ceases to be in force under section 11 of the applied provisions, to be a certificate of exemption for the purposes of this Act.

21. STATE TAXATION OFFICER

The Commissioner may perform the functions of a State taxation officer for the purposes of Part IIIA of the *Taxation Administration Act 1953* of the Commonwealth.

22. AMENDMENT OF TAXATION (ADMINISTRATION) ACT

Section 116A(1) of the *Taxation (Administration) Act* is amended by omitting from the definition of "Taxation Act" paragraphs (d) and (e) and substituting the following:

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- "(d) the *Business Franchise Act*;
- (e) the *Energy Resource Consumption Levy Act*; or
- (f) the *Debits Tax Act*."

SCHEDULE 1

Section 7

AMOUNT OF TAX

Column 1	Column 2
Range of amounts of taxable debits or eligible debits	Amount of tax
Not less than \$1 but less than \$100	15 cents
Not less than \$100 but less than \$500	35 cents
Not less than \$500 but less than \$5,000	75 cents
Not less than \$5,000 but less than \$10,000 ..	\$1.50
\$10,000 or more	\$2.00

SCHEDULE 2

Section 10

MODIFICATIONS OF COMMONWEALTH ACT

Provision	Amendment	
	omit	substitute
Section 3(1)		
- definition of "Commissioner"	the whole definition	"'Commissioner' has the same meaning as in the <i>Taxation (Administration) Act</i> ;"
- definition of "Deputy Commissioner"	the whole definition	

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Provision	Amendment	
	omit	substitute
- definition of "excluded debit", paragraph (a)(ii) and (iii)	"sub-sections 8(3) and (4)"	"sub-sections 8(3) and (4) of the Commonwealth Act as in force immediately before the commencement of this Act, would have been entitled to exemption from the tax within the meaning of the Commonwealth Act by virtue of any law"
- definition of "excluded debit", paragraph (b)	"Australia" (twice occurring)	"the Territory"
- definition of "exempt account"	"Australia"	"the Territory"
- definition of "exempt debit"	"1936"	"1936 of the Commonwealth"
- definitions of "non-bank financial institution" and "payment order"	"1986"	"1986 of the Commonwealth"
- definition of "officer"	the whole definition	"'officer' means an officer of the Public Service; 'Part', in the applied provisions, means Part of the applied provisions;"
- definition of "Second Commissioner"	the whole definition	

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Provision	Amendment	
	omit	substitute
- definition of "tax"	the whole definition	"'section', in the applied provisions, means section of the applied provisions; 'tax' means tax imposed by Part 2 of the <i>Debits Tax Act 1990</i> ."
- definition of "taxable account"	"Australia"	"the Territory"
- definition of "Tribunal"	the whole definition	"'This Act' means the <i>Debits Tax Act 1990</i> ; 'Tribunal' means the Supreme Court;"
Section 3(2)	"Australia" (wherever occurring)	"the Territory"
Section 3(8)	"Commonwealth" (twice occurring)	"Territory"
Section 4	the whole section	"4. GENERAL ADMINISTRATION OF ACT "The Commissioner has the general administration of this Act. 4A. DELEGATION OF FUNCTIONS "The Commissioner may delegate to a person engaged in the administration of this Act any of the Commissioner's functions, other than this power of delegation."
Section 7	"Commonwealth" (wherever occurring)	"Territory"

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Provision	Amendment	
	omit	substitute
Section 7(4)	All words before paragraph (a)	"(4) Nothing in this section prohibits the Commissioner or a person authorised by the Commissioner from communicating any information to -"
Section 7(7)	"a Second Commissioner or a Deputy Commissioner"	
Section 9(1)(a)	"sub-section 8(1)"	"sub-section 9(1) of the <i>Debits Tax Act 1990</i> "
Section 11(1)	"Australia"	"the Territory"
Section 12	subsection (2)	
Section 12(4)	"sub-section 8(2)" (twice occurring)	"sub-section 9(2) of the <i>Debits Tax Act 1990</i> "
Sections 13(1)(b) and (5) and 14(1)(b)	"Commonwealth" (wherever occurring)	"Territory"
Section 17	subsection 6	"(6) The Commissioner may, in the Commissioner's discretion, remit the whole or any part of the additional tax payable by a person under this section and may do so before an assessment is made under sub-section (4) of the additional tax."
Section 18	"Commonwealth" (wherever occurring)	"Territory"
Section 20		
- definition of "Federal Court"	the whole definition	

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Provision	Amendment	
	omit	substitute
Section 23	paragraph (b)	
Section 25A(1)	"as soon as practicable -"	"as soon as practicable"
	paragraphs (a) and (b)	"send the application to the Supreme Court."
Section 25A	subsection (2)	
Section 25A	subsections (3) and (4)	"(3) The sending of an application to the Supreme Court under sub-section (1) constitutes the making by the person concerned of an application to the Court to extend the time within which the request concerned may be lodged with the Commissioner. (4) The Supreme Court may grant or refuse the application."
Section 25B	subsection (2)	
Section 25B(3)	"Federal Court"	"Supreme Court"
Section 25D	"a review before the Tribunal or on appeal to a court"	"appeal to the Supreme Court"
Section 25D(a)	"Tribunal or court"	"Supreme Court"
Section 25E	the whole section	
Section 26	"Federal Court"	"Supreme Court"
Section 29A(1)	"Tribunal or of a court"	"Supreme Court"
Section 29A(2)	"Tribunal or of the Federal Court" (twice occurring)	"Supreme Court"

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Provision	Amendment	
	omit	substitute
Section 29A(2)(b)	"Federal Court"	"Supreme Court"
Section 31(1)	"Tribunal or of a court"	"Supreme Court"
Section 31(1)(c)(ii)	"Commonwealth"	"Territory"
Section 33	"a Second Commissioner or a Deputy Commissioner" (twice occurring)	
Section 34(1)	"Commonwealth"	"Territory"
Section 34(2)	"or a Deputy Commissioner"	
Section 37(1)	"a Second Commissioner or a Deputy Commissioner" (wherever occurring)	
Section 37(1)(d)	"Commonwealth"	"Territory"
Section 56(1)	"1983"	"1991"
Section 57	"Australia" (wherever occurring)	"the Territory"
Section 58(2)	"or a Deputy Commissioner"	
Section 59(1)	"the Commonwealth, of a State or of a Territory"	"the Territory"
Section 62	"Governor-General"	"the Administrator"