

EXPOSURE DRAFT

2016-2017-2018

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT

**Treasury Laws Amendment (Making
Sure Multinationals Pay Their Fair
Share of Tax in Australia and Other
Measures) Bill 2018
No. , 2018**

(Treasury)

**A Bill for an Act to amend the law in relation to
taxation, and for related purposes**

EXPOSURE DRAFT

EXPOSURE DRAFT

Contents

1	Short title.....	1
2	Commencement.....	1
3	Schedules.....	2
Schedule 1—Amendments		3
Part 1—Amendments		3
<i>Income Tax Assessment Act 1936</i>		3
<i>Income Tax Assessment Act 1997</i>		3
Part 2—Application and transitional provisions		6

EXPOSURE DRAFT

1 **A Bill for an Act to amend the law in relation to**
2 **taxation, and for related purposes**

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act is the *Treasury Laws Amendment (Making Sure*
6 *Multinationals Pay Their Fair Share of Tax in Australia and Other*
7 *Measures) Act 2018.*

8 **2 Commencement**

9 (1) Each provision of this Act specified in column 1 of the table
10 commences, or is taken to have commenced, in accordance with

No. , 2018 *Treasury Laws Amendment (Making Sure Multinationals Pay Their* 1
 Fair Share of Tax in Australia and Other Measures) Bill 2018

EXPOSURE DRAFT

EXPOSURE DRAFT

1 column 2 of the table. Any other statement in column 2 has effect
2 according to its terms.

3

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.	
2. Schedule 1	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	

4 Note: This table relates only to the provisions of this Act as originally
5 enacted. It will not be amended to deal with any later amendments of
6 this Act.

7 (2) Any information in column 3 of the table is not part of this Act.
8 Information may be inserted in this column, or information in it
9 may be edited, in any published version of this Act.

3 Schedules

11 Legislation that is specified in a Schedule to this Act is amended or
12 repealed as set out in the applicable items in the Schedule
13 concerned, and any other item in a Schedule to this Act has effect
14 according to its terms.

EXPOSURE DRAFT

Amendments **Schedule 1**
Amendments **Part 1**

1 **Schedule 1—Amendments**

2 **Part 1—Amendments**

3 *Income Tax Assessment Act 1936*

4 **1 Subsection 262A(2AA)**

5 Omit “, 820-980 or 820-985”, substitute “or 820-980”.

6 **2 Paragraph 262A(3)(d)**

7 Omit “; and”, substitute “.”.

8 **3 Paragraph 262A(3)(e)**

9 Repeal the paragraph.

10 *Income Tax Assessment Act 1997*

11 **4 Paragraph 820-583(5)(b)**

12 Omit “;”, substitute “.”.

13 **5 Subsection 820-583(5)**

14 Omit all the words after paragraph (b).

15 **6 Paragraph 820-583(6)(c)**

16 Omit “;”, substitute “.”.

17 **7 Subsection 820-583(6)**

18 Omit all the words after paragraph (c).

19 **8 Paragraph 820-680(1)(a)**

20 Omit “(including revaluing its assets for the purposes of that
21 calculation)”.

22 **9 Subsection 820-680(1) (note)**

23 Omit “, 820-682, 820-683 and 820-684”, substitute “and 820-682”.

EXPOSURE DRAFT

Schedule 1 Amendments

Part 1 Amendments

1 **10 Subsection 820-680(1A) (note)**

2 Omit “sections 820-682 and 820-683”, substitute “section 820-682”.

3 **11 Subsections 820-680(2) to (2E)**

4 Repeal the subsections, substitute:

5 (2) If:

6 (a) an entity is required by an Australian law to prepare financial
7 statements for a period in accordance with the *accounting
8 standards; and

9 (b) a matter mentioned in subsection (1) is determined or
10 calculated in accordance with the accounting standards for
11 the purposes of the financial statements in relation to the
12 period;

13 then, for the purposes of this Division, the matter is to be
14 determined or calculated in relation to the period, or any part of the
15 period, in the same way as it is determined or calculated in the
16 financial statements.

17 (3) If:

18 (a) a period in relation to which a matter mentioned in
19 subsection (1) is determined or calculated (the *current*
20 *period*) is not the same as a period in relation to which
21 paragraphs (2)(a) and (b) are satisfied; and

22 (b) the current period overlaps with one or more periods in
23 relation to which paragraphs (2)(a) and (b) are satisfied;

24 then, for the purposes of this Division, the matter is to be
25 determined or calculated in relation to the current period in the
26 same way as it is determined or calculated in the financial
27 statements for the most recent of the overlapping periods.

28 **12 Subsections 820-682(1) and (2)**

29 Omit “subsections 820-680(1) and (1A)”, substitute
30 “subsections 820-680(1), (1A) and (2)”.

31 **13 Sections 820-683 and 820-684**

32 Repeal the sections.

EXPOSURE DRAFT

Amendments **Schedule 1**
Amendments **Part 1**

1 **14 Paragraph 820-933(4)(b)**

2 Omit “, 820-682, 820-683 and 820-684”, substitute “and 820-682”.

3 **15 Group heading (before section 820-985)**

4 Repeal the heading.

5 **16 Section 820-985**

6 Repeal the section.

No. , 2018 *Treasury Laws Amendment (Making Sure Multinationals Pay Their* 5
Fair Share of Tax in Australia and Other Measures) Bill 2018

EXPOSURE DRAFT

EXPOSURE DRAFT

Schedule 1 Amendments

Part 2 Application and transitional provisions

1 Part 2—Application and transitional provisions

2 17 Revaluation of assets

- 3 (1) The amendments made by items 1 to 3 and items 8 to 16 of this
4 Schedule apply in relation to any of the following carried out for the
5 purposes of Division 820 of the *Income Tax Assessment Act 1997* after
6 7.30 pm, by legal time in the Australian Capital Territory, on 8 May
7 2018 (the *transition time*):
- 8 (a) a determination that an asset or liability is an asset or liability
9 of an entity (including a determination that the entity has an
10 asset or liability at a particular time);
 - 11 (b) a calculation of:
 - 12 (i) the value of an entity's assets; or
 - 13 (ii) the value of an entity's liabilities (including its *debt
14 capital); or
 - 15 (iii) the value of an entity's *equity capital.
- 16 (2) If any of the matters mentioned in subitem (1) have been determined or
17 calculated before the transition time:
- 18 (a) only the most recent of those determinations or calculations
19 that comply with Division 820 of the *Income Tax Assessment*
20 *Act 1997* may be used by the entity for the purposes of that
21 Division on or after the transition time; and
 - 22 (b) those determinations or calculations may only be used by the
23 entity for the purposes of Division 820 of that Act for income
24 years beginning before 1 July 2019.

25 18 Classification of head company

- 26 The amendments made by items 4 to 7 of this Schedule apply in relation
27 to income years beginning on or after 1 July 2019.