



REVIEW OF THE TAX LAWS AMENDMENT (2012 MEASURES NO. 2) BILL 2012 AND THE PASSENGER MOVEMENT CHARGE AMENDMENT BILL 2012

PUBLIC HEARINGS IN CANBERRA

Monday, 4 June 2012

The House Economics Committee will hold a public hearing on the Tax Laws Amendment (2012 Measures No. 2) Bill 2012 and two closely related Bills, the Pay As You Go Withholding Non-compliance Tax Bill 2012 and the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012. It will also examine the Passenger Movement Charge Amendment Bill 2012.

The Bills will strengthen the obligations of company directors' in regards to the Pay As You Go withholding and superannuation guarantee requirements and reduce the effect of fraudulent phoenix activity on workers.

The package also amends the TOFA consolidation interaction provisions so that the tax treatment of financial arrangements following a joining/consolidation event is consistent with the TOFA tax timing rules. The bills also modify the consolidated tax cost settings and rights to future income rules to enhance the consistency of tax outcomes for consolidated groups and when assets are acquired outside the consolidated regime. The bills also increase the withholding tax rate from 7.5% to 15% that applies to distributions from managed investment trusts made to residents of countries with whom Australia has a tax information exchange agreement.

The passenger movement charge legislation will increase the charge from \$47 to \$55 and index the charge in line with the Consumer Price Index. Some of the funding raised will be used to establish the Asia Marketing Fund to promote Australia as a premium holiday and business destination.

Public Hearing Program

Monday, 4 June 2012, Committee Room 2R2, Parliament House

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| 9.15am | Schedule 1 – Company directors and the superannuation guarantee
Australian Institute of Company Directors, the Department of the Treasury |
| 10.15am | Schedule 2 – TOFA and Consolidations
The Tax Institute, the Department of the Treasury |
| 11.15am | Schedule 3 – Consolidations
The Tax Institute, the Department of the Treasury |
| 12.15pm | <i>Lunch</i> |
| 12.45pm | Schedule 4 – Managed investment trusts
Property Council of Australia, Financial Services Council
The Department of the Treasury |
| 1.45pm | Passenger Movement Charge Amendment Bill 2012
Australian Airports Association, National Tourism Alliance, Tourism and Transport
Forum, Australian Tourism Export Council and Customs and Border Protection Service |
| 2.45pm | <i>Adjournment</i> |

For media comment: Please contact the Committee Chair Julie Owens MP:

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