



Public hearing into the taxation of native title benefits, limited recourse debt and in-house fringe benefits

The House Economics Committee will hold a public hearing tomorrow into Tax Laws Amendment (2012 Measures No. 6) Bill 2012. The hearing will cover three schedules in the Bill.

Schedule 1 makes it clear that **native title benefits** are not subject to income tax, including capital gains tax. The financial impact of this measure is estimated to be close to zero.

Schedule 6 restores the original policy intent of the provisions relating to **limited recourse debt**, following the High Court case in 2011 between the Tax Office and BHP. The provisions reverse capital allowance deductions that, at the time the debt is terminated, are excessive having regard to the amount of the debt repaid. The measure is expected to protect a significant amount of revenue.

Schedule 7 removes concessional fringe benefit tax treatment for **in-house fringe benefits** accessed through salary sacrificing. This will increase revenue by \$360 million over the forward estimates. In-house fringe benefits are those where the employer provides the same or similar goods or services as part of their business.

Proceedings will be broadcast at [http://www.aph.gov.au/News and Events/Watch Parliament](http://www.aph.gov.au/News_and_Events/Watch_Parliament).

Public hearing program
Wednesday, 30 January 2013
Committee Room 2R1, Parliament House, Canberra

| Time | Witnesses |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.45 am | Limited recourse debt Ashurst Australia (teleconference), Department of the Treasury, ATO |
| 10.15 am | In-house fringe benefits Ernst & Young, Essential Energy, Endeavour Energy (both by video conference) and Department of the Treasury |
| 11 am | <i>Morning Tea</i> |
| 11.15 am | Native Title benefits Arnold Bloch Leibler and Yamatji Marlpa Aboriginal Corporation, Government of WA (all by teleconference), Fiona Martin (UNSW), Minerals Council of Australia, Chamber of Minerals and Energy of WA, Rio Tinto, Native Title Services Victoria, Department of the Treasury, ATO |
| 1 pm | <i>Close</i> |

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