

## **Tax Laws Amendment (2007 Measures No. 4) Bill 2007 and two related bills**

The Senate Standing Committee on Economics is conducting an inquiry into the provisions of the Tax Laws Amendment (2007 Measures No. 4) Bill 2007, and two complementary Bills; the Taxation (Trustee Beneficiary Non-Disclosure Tax) Bill (No. 1) 2007, and the Taxation (Trustee Beneficiary Non-Disclosure Tax) Bill (No. 2) 2007.

The Tax Laws Amendment (2007 Measures No. 4) Bill 2007 is an omnibus bill containing 8 Schedules. The two other bills provide amendments to complement the proposed changes in Schedule 4 by providing mechanisms to introduce a 46.5% non-disclosure tax on certain income. The Schedules are summarised below.

- Schedule 1 amends the income tax law to abolish foreign loss and foreign tax credit quarantining and to streamline the remaining foreign tax credit rules. These amendments include transitional rules for the treatment of existing quarantined foreign losses and credits.
- Schedule 2 amends the *Income Tax Assessment Act 1997* to provide a capital gains tax roll-over for membership interests in medical defence organisations.
- Schedule 3 amends the borrowing restriction contained in the *Superannuation Industry (Supervision) Act 1993* to allow superannuation funds to invest in instalment warrants of a limited recourse nature over any asset a fund would be permitted to invest in directly.
- Schedule 4 amends the *Income Tax Assessment Act 1936* so that trustees of closely held trusts are not required to report to the Commissioner of Taxation (the details of the ultimate beneficiaries of trust income).
- Schedule 5 amends various Acts to assist in the smooth transition to the *Simplified Superannuation* regime. This Schedule limits strategies which could circumvent the minimum drawdown requirements for account-based pensions, facilitates the provision of tax file numbers to superannuation and retirement savings account providers, and revises the application provision for small business capital gains tax relief.
- Schedule 6 amends the *Income Tax Assessment Act 1997* to update the list of deductible gift recipients.
- Schedule 7 makes technical corrections and other minor amendments to the taxation laws.
- Schedule 8 amends the trust loss regime in the *Income Tax Assessment Act 1936* to allow family trust elections and interposed entity elections to be revoked or varied in certain limited circumstances.

The committee is to report to the Senate on 31 July 2007.

The Committee invites written submissions which should be sent to:

Committee Secretary  
Senate Economics Committee  
Department of the Senate  
PO Box 6100  
Parliament House

Canberra ACT 2600  
Australia

The closing date for submissions is Monday, 9 July.

The Committee requests that where possible, submissions should also be provided by email to [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au), preferably as MS Word or RTF format documents. Notes to assist in preparing submissions are available from the website [http://www.aph.gov.au/senate/committee/wit\\_sub/index.htm](http://www.aph.gov.au/senate/committee/wit_sub/index.htm).

Once the Committee accepts your submission, it becomes a confidential committee document and is protected by Parliamentary Privilege. You must not release your submission without the Committee's permission. If you do, it is not protected by Parliamentary Privilege. At some stage during the inquiry, the Committee normally makes submissions public. Please indicate if you want your submission to be kept confidential.

Inquiries from hearing and speech impaired people should be directed to the Parliament House TTY number (02 6277 7799). Adobe also provides tools for the blind and visually impaired to access PDF documents. These tools are available at: <http://access.adobe.com/>. If you require any special arrangements in order to enable you to participate in a committee inquiry, please contact the Committee Secretary.

If you need any further information, consult the Committee's website at [http://www.aph.gov.au/senate/committee/economics\\_ctte/inquiries.htm](http://www.aph.gov.au/senate/committee/economics_ctte/inquiries.htm) or contact the Committee Secretary on (02) 6277 3540 (phone), (02) 6277 5719 (fax); or by email to [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au) or by writing to the above address.