

From: Ian Snook [mailto:Ian.Snook@williambucksa.com.au]

Sent: Tuesday, 15 February 2005 9:22 AM

To: Economics, Committee (SEN)

Subject: Tax (2004 Measures No 7) Bill

Dear Sir/Madam,

I understand that the above bill has been referred to the Senate Economics Legislation Committee to report by 7th March 2005. I would like to bring the issue of the commencement of the amendments to the STS provisions in respect of "depreciation rollover relief" to the committee's attention.

Senator Coonan's press release of 4/3/03 (C013/03) announcing the amendment stated that the rollover relief was to take effect from 1/7/01. Specifically she said:

Roll-over relief amendments will be effective from the start date of the STS, 1 July 2001, so eligible taxpayers can elect to enter the STS in their 2001/02 tax return.

I note however that Item 20 of Schedule 7 of the Bill is as follows:

The amendments made by this Schedule apply to assessments for the income year following the income year in which this Act receives the Royal Assent and later income years.

I would expect that as a result of the press release that many taxpayers would have (a) entered STS on the basis that the rollover would be available to them and (b) those already in STS would have applied the rollover.

It is my opinion that the Bill should be amended to accord with the start date as proposed by Senator Coonan in her press release.

Regards

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