

# Chapter 1

## Introduction

### Background

1.1 The Tax Laws Amendment (2006 Measures No. 7) Bill 2006 was introduced into the House of Representatives on 7 December 2006. It passed the House without amendment and was introduced into the Senate on 7 February 2007.

1.2 On 8 February 2007, on the recommendation of the Selection of Bills Committee, the Senate referred the bill to the Standing Committee on Economics for inquiry and report by 27 February 2007.<sup>1</sup>

1.3 The bill is an omnibus bill that implements a number of changes to Australia's taxation system in the areas of: small business CGT concessions; interest withholding tax exemptions; deductible gift recipients; effective life of tractors and harvesters; farm management deposits; and capital protected borrowings.

### Conduct of the inquiry

1.4 The committee advertised the inquiry in the *Australian* newspaper on 14 February 2007 and invited written submissions by 16 February 2007. Details of the inquiry were placed on the committee's website. The committee also wrote to a number of organisations and stakeholder groups inviting written submissions.

1.5 The committee received five submissions. These are listed in Appendix 1. A public hearing was held in Canberra on 26 February 2007. Witnesses who presented evidence at this hearing are listed in Appendix 2.

1.6 The Committee thanks those who participated in this inquiry.

### Structure of the report

1.7 Four of the five submissions received by the Committee made comment only on Schedule 2 of the bill. The fifth submission commented only on Schedule 1. Consequently, this report provides a brief outline of the amendments in all Schedules of the bill but concentrates on the amendments in Schedule 2 that relate to interest withholding tax exemptions.

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1 Selection of Bills Committee, *Report No. 2 of 2007*, dated 8 February 2007.

