

# EXPOSURE DRAFT

2008-2009

The Parliament of the  
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT
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## **Income Tax (TFN Withholding Tax (ESS)) Bill 2009**

**No.     , 2009**

*(Treasury)*

**A Bill for an Act to impose tax on certain amounts  
relating to employee share schemes, and for related  
purposes**



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1     **A Bill for an Act to impose tax on certain amounts**  
2     **relating to employee share schemes, and for related**  
3     **purposes**

4     The Parliament of Australia enacts:

5     **Part 1—Preliminary**  
6

7     <sup>^</sup>1 Short title

8                     This Act may be cited as the *Income Tax (TFN Withholding (ESS))*  
9                     *Act 2009*.

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## Part 1 Preliminary

### Section ^2

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#### 1     ^2 Commencement

2             (1) Each provision of this Act specified in column 1 of the table  
3                 commences, or is taken to have commenced, in accordance with  
4                 column 2 of the table. Any other statement in column 2 has effect  
5                 according to its terms.

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#### Commencement information

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Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections ^1 and ^2 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Sections ^3 to ^5	At the same time as Schedule 1 to the <i>Tax Laws Amendment (2009 Budget Measures No. 2) Act 2009</i> commences.	

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7             Note:       This table relates only to the provisions of this Act as originally  
8                         passed by both Houses of the Parliament and assented to. It will not be  
9                         expanded to deal with provisions inserted in this Act after assent.

10            (2) Column 3 of the table contains additional information that is not  
11               part of this Act. Information in this column may be added to or  
12               edited in any published version of this Act.

#### 13     ^3 Imposition of tax

14             The tax known as TFN withholding tax (ESS), to the extent that  
15             that tax is payable by an entity in accordance with section 14-155  
16             in Schedule 1 to the *Taxation Administration Act 1953*, is imposed  
17             on amounts mentioned in paragraph (1)(b) of that section.

#### 18     ^4 Rate of tax

19             The rate of TFN withholding tax (ESS) imposed by this Act is the  
20             amount worked out using the following formula:

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Preliminary Part 1

Section ^5

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$$1 \quad \left( \begin{array}{l} \text{highest rate} \\ \text{specified in} \\ \text{the table in Part I} \\ \text{of Schedule 7 to} \\ \text{the } \textit{Income Tax} \\ \text{Rates Act 1986} \end{array} + \begin{array}{l} \text{rate of levy} \\ \text{specified in} \\ \text{subsection 6(1)} \\ \text{of the } \textit{Medicare} \\ \text{Levy Act 1986} \end{array} \right) \times \begin{array}{l} \text{amount} \\ \text{mentioned} \\ \text{in section ^3} \\ \text{of this Act} \end{array}$$

2 **^5 Miscellaneous**

3 For the purposes of this Act, disregard section @83A-35 (about  
4 reducing the amount included in assessable income) of the *Income*  
5 *Tax Assessment Act 1997*.