

EXPOSURE DRAFT

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Inserts for
**Tax Laws Amendment (2010 Measures
No. 5) Bill 2010: film tax offsets**

| Commencement information | | |
|---------------------------------|---|---------------------|
| Column 1 | Column 2 | Column 3 |
| Provision(s) | Commencement | Date/Details |
| 1. | The day this Act receives the Royal Assent. | |
| 2. | | |
| 3. | | |

EXPOSURE DRAFT

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Schedule X—Film tax offsets

Income Tax Assessment Act 1997

1 Paragraph 376-10(1)(a)

Repeal the paragraph.

2 Paragraph 376-10(1)(b)

Omit “\$50 million”, substitute “\$15 million”.

3 Paragraph 376-20(5)(b)

Repeal the paragraph.

4 Paragraph 376-20(5)(c)

Omit “if the total of the company’s qualifying Australian production expenditure on the film is at least \$50 million,”.

5 Subsection 376-20(5) (note)

Omit “subparagraph (b)(ii) and”.

6 Paragraph 376-45(5)(a)

Omit “\$5 million”, substitute “\$500,000”.

7 Section 376-130 (note)

Omit “The total amount of all production expenditure is relevant to a company’s eligibility for the location offset: see the test in paragraph 376-20(5)(b).”

8 Section 376-140 (note)

Repeal the note.

9 Paragraph 376-180(1)(d)

Omit “subparagraph 376-20(5)(b)(ii) and”.

10 Paragraph 376-230(1)(a)

Repeal the paragraph.

11 Paragraph 376-230(1)(b)

Omit “\$50 million”, substitute “\$15 million”.

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1 **12 Application**

- 2 (1) The amendments made by items 1, 2, 3, 4, 5, 7, 8, 9, 10 and 11 of this
3 Schedule apply to a film which commences principal photography or
4 production of the animated image in Australia on or after 1 July 2010.
- 5 (2) The amendment made by item 6 of this Schedule applies to a film
6 which commences post, digital and visual effects production (as that
7 term is defined in section 995-1 of the *Income Tax Assessment Act*
8 *1997*) in Australia on or after 1 July 2010.