

EXPOSURE-DRAFT

1 Inserts for
2 **Tax Laws Amendment (2012 Measures**
3 **No. 5) Bill 2012: Miscellaneous**
4 **amendments to the taxation laws**

5

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Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Schedule #, Part 1	Immediately after the commencement of the <i>Minerals Resource Rent Tax Act 2012.</i>	1 July 2012
2. Schedule #, Part 2	The day this Act receives the Royal Assent.	

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1
2 **Schedule #—Miscellaneous amendments to**
3 **the taxation laws**

4 **Part 1—Amendments relating to resource rent**
5 **taxation**

6 *Income Tax Assessment Act 1997*

7 **1 Subsections 721-10(4) and (5)**

8 Repeal the subsections, substitute:

- 9 (4) The following only apply in relation to tax-related liabilities that
10 are due and payable because a choice has been made, under
11 section 215-10 of the *Minerals Resource Rent Tax Act 2012*, to
12 apply Division 215 of that Act in relation to the *consolidated
13 group:
14 (a) items 75, 80 and 85 of the table in subsection (2);
15 (b) item 40 of that table to the extent that it relates to tax-related
16 liabilities to which the items referred to in paragraph (a)
17 apply.
- 18 (5) The following only apply in relation to tax-related liabilities that
19 are due and payable because a choice has been made, under
20 section 58N of the *Petroleum Resource Rent Tax Assessment Act*
21 *1987*, to apply Division 8 of Part V of that Act in relation to the
22 *consolidated group:
23 (a) items 95, 100, 105 and 110 of the table in subsection (2);
24 (b) item 40 of that table to the extent that it relates to tax-related
25 liabilities to which the items referred to in paragraph (a)
26 apply.
- 27 (6) Without limiting subsections (4) and (5), in the application of this
28 section in relation to a *MEC group because of section 719-2, the
29 items referred to in those subsections also apply in relation to
30 tax-related liabilities of the *provisional head company of the MEC
31 group.

32 **2 Subsection 995-1(1)**

33 Insert:

34 *petroleum resource rent tax law* means:

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- 1 (a) the *Petroleum Resource Rent Tax Assessment Act 1987*; and
2 (b) any Act that imposes *petroleum resource rent tax; and
3 (c) the *Taxation Administration Act 1953*, so far as it relates to
4 any Act covered by paragraphs (a) and (b); and
5 (d) any other Act, so far as it relates to any Act covered by
6 paragraphs (a) to (c) (or to so much of that Act as is covered);
7 and
8 (e) regulations under an Act, so far as they relate to any Act
9 covered by paragraphs (a) to (d) (or to so much of that Act as
10 is covered).

11 **3 Subsection 995-1(1)**

12 Insert:

13 *resource rent tax amount* means any debt or credit that arises
14 directly under the *resource rent tax provisions.

15 **4 Subsection 995-1(1)**

16 Insert:

17 *resource rent tax provisions* means:

- 18 (a) the *MRRT law; and
19 (b) the *petroleum resource rent tax law;
20 other than *BAS provisions.

21 ***Minerals Resource Rent Tax Act 2012***

22 **5 Subsection 30-25(7)**

23 Repeal the subsection, substitute:

- 24 (7) Operations or activities are *resource marketing operations*, for a
25 mining project interest, to the extent that the operations or
26 activities involve marketing, selling, shipping or delivering of:
27 (a) *taxable resources in relation to which a *mining revenue
28 event mentioned in paragraph 30-15(1)(a) or (b) happens; or
29 (b) things produced using taxable resources in relation to which a
30 mining revenue event mentioned in paragraph 30-15(1)(c)
31 happens.

32 **6 At the end of subsection 30-40(2)**

33 Add:

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Note: The amount of that mining expenditure is adjusted if an adjustment arises under Division 160 in relation to that mining expenditure: see subsection 160-15(5).

7 Section 30-55

Before “An amount”, insert “(1)”.

8 At the end of section 30-55

Add:

- (2) However, subsection (1) does not apply if the only reason the amount does not relate to a particular *mining revenue event is that paragraph 30-20(2)(a) prevents the supply from being an *initial supply.

9 Subsection 35-5(1) (note)

Repeal the note, substitute:

- Note: Most of the amounts are covered by this Division. However, the following amounts may also be included in a miner’s mining expenditure:
- (a) amounts arising as a result of adjustments to take account of changes in circumstances (see Division 160);
 - (b) amounts arising as a result of changed use of starting base assets (see section 165-55).

10 Subsection 45-10(1) (formula)

Repeal the formula, substitute:

$$\left(\left(\left(\begin{array}{c} \$75 \\ \text{million} \end{array} - \begin{array}{c} \text{Taper} \\ \text{amount} \end{array} \right) \times \frac{3}{2} \right) - \frac{\text{Miner's group MRRT allowances}}{\text{Miner's share of group mining profit}} \right) \times \text{Miner's share of group mining profit}$$

11 Subsection 45-10(2) (example)

Repeal the example, substitute:

Example: For the 2013-14 MRRT year, Pinder Mines Ltd has a total mining profit of \$80 million, a group mining profit of \$100 million, group MRRT allowances of \$10 million and a taper amount of \$50 million (\$100 million - \$50 million). The amount worked out using the formula in subsection (1) is \$22 million:((((\$75 million - \$50 million) × 3/2) - \$10 million) × 4/5. Multiplying this amount by the MRRT rate gives Pinder Mines Ltd an offset for the year of \$4.95 million.

12 Subsection 70-35(1) (note)

Repeal the note, substitute:

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1 Note: Most of the amounts are covered by this Division. However, the
2 following amounts may also be included in a miner's pre-mining
3 expenditure:
4 (a) amounts arising as a result of adjustments to take account of
5 changes in circumstances (see Division 160);
6 (b) amounts arising as a result of changed use of starting base assets
7 (see section 165-55).

8 **13 Subsection 80-25(1)**

9 Omit "a mining project interest that a miner had at that time", substitute
10 "the mining project interest".

11 **14 Subparagraphs 80-25(3)(b)(i) and (ii)**

12 Repeat the subparagraphs, substitute:

- 13 (i) a valid choice has not been made under section 85-5
14 specifying the valuation approach for the mining project
15 interest; or
16 (ii) the Commissioner has not been given a valid *starting
17 base return that covers the property or right; or
18 (iii) immediately before 1 July 2012, the property or right
19 was not *held by the *entity that, at that time, had the
20 mining project interest (or held the *pre-mining project
21 interest from which the mining project interest
22 *originated); or
23 (iv) the property or right did not exist before 1 July 2012.

24 **15 After subsection 80-25(3)**

25 Insert:

- 26 (3A) For the purposes of subparagraphs (3)(b)(iii) and (iv), if:
27 (a) the asset is, or includes, the rights and interests that constitute
28 the mining project interest; and
29 (b) the mining project interest did not exist immediately before
30 1 July 2012; and
31 (c) the mining project interest *originates from one or more
32 *pre-mining project interests, or one or more parts of
33 pre-mining project interests, that existed immediately before
34 1 July 2012;
35 assume that the mining project interest is a continuation of the
36 pre-mining project interest.

37 **16 Subsection 80-40(1)**

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1 Omit “in which a *starting base loss arises”, substitute “for which a
2 *starting base loss arises”.

3 **17 Subsection 80-45(1) (paragraph (b) of the definition of** 4 ***uplift factor***)

5 Repeal the paragraph, substitute:

6 (b) if, under Division 85, the market value approach is the
7 valuation approach for the mining project interest:

8
$$\frac{\text{Sum of the *index numbers for the}}{\text{quarters in the year ending on 31 March just}} \\ \text{before the start of the relevant financial year}}$$

$$\frac{\text{Sum of the *index numbers for the}}{\text{quarters in the year ending on the}} \\ \text{previous 31 March}}$$

9 where:

10 ***relevant financial year*** is:

- 11 (i) if the *MRRT year is a *financial year—the MRRT
12 year; or
13 (ii) if, because of Division 190, the MRRT year is not a
14 financial year—the financial year corresponding to the
15 MRRT year.

16 **18 Paragraph 80-50(1)(b)**

17 Omit “starting base losses for the mining project interest in the year”,
18 substitute “starting base losses for the mining project interest for the
19 year”.

20 **19 At the end of subsection 90-25(1)**

21 Add:

22 Note: Initial base values are separately assessed under Division 155 in
23 Schedule 1 to the *Taxation Administration Act 1953*. Those assessed
24 values are used in working out starting base allowances in all
25 assessments of MRRT liabilities: see item 15 of Schedule 4 to the
26 *Minerals Resource Rent Tax (Consequential Amendments and*
27 *Transitional Provisions) Act 2012*.

28 **20 At the end of subsection 90-40(1)**

29 Add:

30 Note 3: Initial base values are separately assessed under Division 155 in
31 Schedule 1 to the *Taxation Administration Act 1953*. Those assessed
32 values are used in working out starting base allowances in all
33 assessments of MRRT liabilities: see item 15 of Schedule 4 to the
34 *Minerals Resource Rent Tax (Consequential Amendments and*
35 *Transitional Provisions) Act 2012*.

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21 Subsection 90-45(1)

Omit all the words after “assume that”, substitute “the mining project interest is a continuation of the pre-mining project interest”.

22 After subsection 90-45(1)

Insert:

(1A) Without limiting subsection (1), assume also that the *market value of the asset on 1 May 2010 was an amount equal to the market value, on that day, of the rights and interests that constitute the *pre-mining project interest or pre-mining project interests, or the part or parts, from which the mining project interest *originates.

23 Subsection 90-45(2)

Omit “this section”, substitute “subsection (1A)”.

24 After subsection 90-55(5)

Insert:

(5A) For the purposes of subsections (4) and (5), if:

- (a) the asset is, or includes, the rights and interests that constitute the mining project interest; and
- (b) the mining project interest did not exist on 1 May 2010; and
- (c) the mining project interest *originates from one or more *pre-mining project interests, or one or more parts of pre-mining project interests, that existed just before 2 May 2010;

assume that the mining project interest is a continuation of the pre-mining project interest.

25 Subsection 90-65(5)

Repeal the subsection (including the note), substitute:

(5) However, if one or more of the following applies:

- (a) there have been reductions to a *starting base loss relating to the *starting base asset, for that *MRRT year or an earlier MRRT year, under subsection 80-40(3) or (4);
- (b) there have been reductions to a starting base loss relating to the asset, for that MRRT year or an earlier MRRT year, under paragraph 115-15(2)(b);
- (c) there has been no starting base loss for that MRRT year, or no starting base loss for an earlier MRRT year, for the

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1 mining project interest to which the asset relates, because of
2 paragraph 115-15(2)(a), 130-15(a) or (b) or 200-5(b) or (c);
3 the amount included in the miner's *mining revenue under
4 subsection (4) is reduced by the following:

5
$$\text{Excess amount} \times \frac{\text{Sum of reductions}}{\text{Total decline}}$$

6 where:

7 **excess amount** is the amount of the excess mentioned in
8 subsection (4).

9 **sum of reductions** is the sum of:

- 10 (a) any reductions to a *starting base loss relating to the *starting
11 base asset, for that *MRRT year or an earlier MRRT year,
12 under subsection 80-40(3) or (4); and
13 (b) any reductions to a starting base loss relating to the asset, for
14 that MRRT year or an earlier MRRT year, under paragraph
15 115-15(2)(b); and
16 (c) any starting base losses, for that MRRT year or an earlier
17 MRRT year, that paragraph 115-15(2)(a), 130-15(a) or (b) or
18 200-5(b) extinguished, or paragraph 200-5(c) prevented from
19 arising, to the extent that they related (or would have related)
20 to the asset.

21 **total decline** is the sum of the declines in value of the asset that
22 have happened during that *MRRT year or any earlier MRRT year.

23 Note 1: Reductions happen under subsection 80-40(3) or (4) if the asset is
24 used, installed for use, or constructed for use:

- 25 (a) for a purpose other than carrying on upstream mining operations
26 relating to the mining project interest; or
27 (b) in connection with excluded expenditure.

28 Note 2: Starting base losses are reduced under paragraph 115-15(2)(b) if a
29 miner chooses to treat a mining project interest as having combined
30 with another despite non-compliance with section 115-35.

31 Note 3: Starting base losses are extinguished, or prevented from arising, if:

- 32 (a) under paragraph 115-15(2)(a), a miner chooses to treat a mining
33 project interest as having combined with another despite
34 non-compliance with section 115-35; or
35 (b) under paragraph 130-15(a) or (b), the suspension day for the
36 mining project interest happens; or
37 (c) under paragraph 200-5(b) or (c), a miner chooses to use the
38 simplified MRRT method.

39 **26 Paragraph 95-20(2)(a)**

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1 Omit “has”, substitute “*holds”.

2 **27 Subsection 95-25(1)**

3 After “cannot be applied”, insert “under that section”.

4 **28 Paragraphs 95-30(1)(a) and (2)(a)**

5 Omit “entity”, substitute “*entity”.

6 **29 Paragraph 115-15(2)(b)**

7 Repeal the paragraph, substitute:

8 (b) the starting base loss for the combined interest for an *MRRT
9 year is reduced by the amount of any declines in value, for
10 the year, of *starting base assets that:

- 11 (i) relate to a constituent interest; and
12 (ii) do not comply with section 115-35.

13 **30 At the end of section 115-15**

14 Add:

15 (3) However, if:

- 16 (a) an existing pre-mining loss does not comply with
17 section 115-25 because section 95-25 or 115-55 partly
18 prevents the existing pre-mining loss from being applied in
19 working out a *transferred pre-mining loss allowance; and

20 (b) there is no other reason why the loss does not comply with
21 section 115-25;

22 the loss is extinguished under paragraph (2)(a) only to the extent
23 that section 95-25 or 115-55 prevents the existing pre-mining loss
24 from being so applied.

25 **31 After paragraph 115-25(a)**

26 Insert:

- 27 (aa) section 95-25 (cap on available pre-mining losses) does not
28 wholly or partly prevent the existing pre-mining loss from
29 being so applied; and

30 **32 Paragraph 115-25(b)**

31 After “section 115-55 does not”, insert “wholly or partly”.

32 **33 Subsections 115-55(1) and (2)**

33 Repeal the subsections, substitute:

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1 (1) If:

2 (a) a *pre-mining loss relates to:

3 (i) a mining project interest other than the combined
4 interest (or any of the constituent interests); or

5 (ii) a *pre-mining project interest; and

6 (b) the loss arose in relation to an *MRRT year preceding the
7 combined interest coming into existence; and

8 (c) in relation to at least one of the constituent interests—
9 section 95-25 (cap on available pre-mining losses) would
10 have, to any extent, prevented the loss from being applied in
11 working out a *transferred pre-mining loss allowance for the
12 constituent interest for the year (if the combined interest had
13 not existed);

14 the loss cannot be applied in working out a transferred pre-mining
15 loss allowance for the combined interest for an MRRT year to the
16 extent that that section would have prevented the loss from being
17 so applied in working out transferred pre-mining loss allowances
18 for all the constituent interests for the year (if the combined interest
19 had not existed).

20 (2) If:

21 (a) a *pre-mining loss relates to the combined interest (or any of
22 the constituent interests); and

23 (b) the loss arose in relation to an *MRRT year preceding the
24 combined interest coming into existence; and

25 (c) in relation to at least one of the constituent interests—
26 section 95-25 (cap on available pre-mining losses) would
27 have, to any extent, prevented the loss from being applied in
28 working out a *transferred pre-mining loss allowance for
29 another mining project interest (other than the combined
30 interest or any of the constituent interests) for the year if:

31 (i) the combined interest had not existed; and

32 (ii) the loss had related to the constituent interest;

33 the loss cannot be applied in working out a transferred pre-mining
34 loss allowance for the other interest for an MRRT year to the
35 extent that that section would have prevented the loss from being
36 so applied in working out transferred pre-mining loss allowances
37 for all the constituent interests for the year (if the combined interest
38 had not existed).

39 **34 At the end of subsection 120-10(4)**

40 Add:

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1 ; (e) if the transfer happens because of the operation of
2 section 120-25—the amount of the *pre-mining loss cap (if
3 any) for the original interest.

4 **35 Subsection 120-10(4) (note)**

5 Repeal the note, substitute:

6 Note 1: Under section 120-25, the start of a mining venture may be taken to be
7 a mining project transfer.

8 Note 2: If the original miner's MRRT year starts before the new miner's
9 MRRT year, the effect of this provision is that amounts from before
10 the start of the new miner's MRRT year are taken into account for the
11 new miner in the new miner's MRRT year.

12 **36 At the end of subsection 125-10(4)**

13 Add:

14 ; (e) if the new miner is the same *entity as the original miner—
15 the amount of the *pre-mining loss cap (if any) for the
16 original interest.

17 **37 Subsection 125-10(4) (note)**

18 Repeal the note, substitute:

19 Note 1: If the new miner is not the same entity as the original miner, a new
20 pre-mining loss cap arises for the new interest under section 95-30.

21 Note 2: If the original miner's MRRT year starts before a new miner's MRRT
22 year, the effect of this provision is that amounts from before the start
23 of the new miner's MRRT year are taken into account for the new
24 miner in the new miner's MRRT year.

25 **38 Paragraph 140-10(2)(c)**

26 Omit “does not apply”, substitute “is taken to be satisfied”.

27 **39 At the end of subsection 145-15(2)**

28 Add:

29 ; (e) if the transfer happens because of the operation of
30 section 145-30—the amount of the *pre-mining loss cap (if
31 any) for the original interest.

32 **40 Subsection 145-15(2) (note)**

33 Repeal the note, substitute:

34 Note 1: Under section 145-30, a mining project interest originating from a
35 pre-mining project interest may be taken to be a pre-mining project
36 transfer.

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1 Note 2: If the original explorer's MRRT year starts before the new explorer's
2 MRRT year, the effect of this provision is that amounts from before
3 the start of the new explorer's MRRT year are taken into account for
4 the new explorer in the new explorer's MRRT year.

5 **41 Subsection 145-20(2)**

6 Omit "section 30-40", substitute "sections 30-40 and 70-40".

7 **42 Subsection 145-20(3)**

8 Omit "section 35-35", substitute "sections 35-35 and 70-35".

9 **43 At the end of subsection 150-15(2)**

10 Add:

11 ; (e) if the new explorer is the same *entity as the original
12 explorer—the amount of the *pre-mining loss cap (if any) for
13 the original interest.

14 Note: If the new explorer is not the same entity as the original explorer, a
15 new pre-mining loss cap arises for the new interest under
16 section 95-30.

17 **44 Subsection 150-20(2)**

18 Omit "section 30-40", substitute "sections 30-40 and 70-40".

19 **45 Subsection 150-20(3)**

20 Omit "section 35-35", substitute "sections 35-35 and 70-35".

21 **46 Subsection 150-30(2) (note 2)**

22 Omit "mining project transfer", substitute "pre-mining project transfer".

23 **47 Subsection 155-10(3)**

24 Repeal the subsection, substitute:

25 (3) In determining, for the purposes of subsection (2), whether an
26 additional area is insignificant, assume that the additional area
27 includes any other such additional areas that have been included in
28 the *project area for the *pre-mining project interest because of a
29 previous application of that subsection.

30 **48 At the end of section 160-15**

31 Add:

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- 1 (5) If this Division has given rise to a mining adjustment in relation to
2 an original amount of *mining expenditure to which subsection
3 30-40(2) applies, that subsection has effect as if:
4 (a) the adjustment mentioned in column 3 of the table in
5 subsection (1) had not been made; and
6 (b) the original amount had instead been increased or decreased
7 (as the case requires) as mentioned in column 2 of that table
8 by the amount of the adjustment.

9 **49 Subsection 165-15(1)**

10 Repeal the subsection, substitute:

- 11 (1) If there is a *starting base adjustment amount, for a *starting base
12 asset for an *MRRT year, and:
13 (a) an amount of a *starting base loss for that MRRT year or any
14 earlier MRRT year has been reduced because of a reduction
15 under subsection 80-40(3) or (4) relating to the asset; or
16 (b) there have been reductions to a starting base loss relating to
17 the asset, for that MRRT year or an earlier MRRT year,
18 because of paragraph 115-15(2)(b); or
19 (c) there has been no starting base loss for that MRRT year, or
20 no starting base loss for an earlier MRRT year, for the
21 mining project interest to which the asset relates, because of
22 paragraph 115-15(2)(a), 130-15(a) or (b) or 200-5(b) or (c);
23 reduce the starting base adjustment amount in accordance with
24 subsection (2).

25 Note 1: Reductions happen under subsection 80-40(3) or (4) if the asset is
26 used, installed for use, or constructed for use:
27 (a) for a purpose other than carrying on upstream mining operations
28 relating to the mining project interest; or
29 (b) in connection with excluded expenditure.

30 Note 2: Starting base losses are reduced under paragraph 115-15(2)(b) if a
31 miner chooses to treat a mining project interest as having combined
32 with another despite non-compliance with section 115-35.

33 Note 3: Starting base losses are extinguished, or prevented from arising, if:
34 (a) under paragraph 115-15(2)(a), a miner chooses to treat a mining
35 project interest as having combined with another despite
36 non-compliance with section 115-35; or
37 (b) under paragraph 130-15(a) or (b), the suspension day for the
38 mining project interest happens; or
39 (c) under paragraph 200-5(b) or (c), a miner chooses to use the
40 simplified MRRT method.

41 **50 Subsection 165-15(2) (definition of *sum of reductions*)**

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1 Repeal the definition, substitute:

2 *sum of reductions* is the sum of:

- 3 (a) any reductions to a *starting base loss relating to the *starting
4 base asset, for that *MRRT year or an earlier MRRT year,
5 under subsection 80-40(3) or (4); and
6 (b) any reductions to a starting base loss relating to the asset, for
7 that MRRT year or an earlier MRRT year, under paragraph
8 115-15(2)(b); and
9 (c) any starting base losses, for that MRRT year or an earlier
10 MRRT year, that paragraph 115-15(2)(a), 130-15(a) or (b) or
11 200-5(b) extinguished, or paragraph 200-5(c) prevented from
12 arising, to the extent that they related (or would have related)
13 to the asset.

14 **51 Subsections 165-25(3) and 165-30(1)**

15 After “the starting base adjustment”, insert “(expressed as a positive
16 amount)”.

17 **52 Paragraph 165-30(2)(c)**

18 After “the starting base adjustment”, insert “(expressed as a positive
19 amount)”.

20 **53 Subsection 165-30(2)**

21 After “the starting base adjustment” (last occurring), insert “(expressed
22 as a positive amount)”.

23 **54 Paragraph 175-15(1)(b)**

24 Repeal the paragraph, substitute:

- 25 (b) have reached, during the MRRT year, the form in which the
26 resources are intended to be:
27 (i) supplied or exported as mentioned in paragraph
28 30-15(1)(a) or (b); or
29 (ii) used to produce something, but not after having been
30 supplied or exported as mentioned in paragraph
31 30-15(1)(a) or (b).

32 **55 Subsection 180-5(1)**

33 After “*starting base assets”, insert “(and all property or rights that are
34 expected to be starting base assets after the time mentioned in
35 subsection 80-25(2))”.

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1 **56 Section 190-1**

2 Omit “a miner”, substitute “an entity”.

3 **57 Section 190-1**

4 Omit “a miner’s”, substitute “an entity’s”.

5 **58 Section 190-5**

6 Omit “miners”, substitute “*entities”.

7 **59 Section 190-10**

8 Omit “a miner”, substitute “an *entity”.

9 **60 Subsection 190-15(1)**

10 Omit “a miner’s”, substitute “an *entity’s”.

11 **61 Subsection 190-15(2) (example)**

12 Omit “A miner”, substitute “An entity”.

13 **62 Subsection 190-15(3) (example)**

14 Omit “A miner”, substitute “An entity”.

15 **63 Subsection 190-15(4) (example)**

16 Omit “A miner”, substitute “An entity”.

17 **64 Subsection 190-20(2) (example)**

18 Omit “\$6.26 million”, substitute “\$7.97 million”.

19 **65 Subsection 190-20(2) (example)**

20 Omit “\$2.06 million”, substitute “\$2.62 million”.

21 **66 Subsection 190-20(2) (example)**

22 Omit “\$3.57 million”, substitute “\$3.01 million”.

23 **67 After subsection 200-15(1)**

24 Insert:

25 (1A) For the purposes of subsection (1), assume that, during the whole
26 of the *MRRT year, the entity has a particular mining project
27 interest to the extent (if any) that the entity has the interest
28 immediately before the end of the year.

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1 Example: If, during the MRRT year, a mining project interest that the entity had
2 at the start of the year was subject to a mining project split with
3 another entity (and they retained their new interests for the rest of the
4 year), the entity's profit under subsection (1) is worked out as if the
5 entity's split percentage applied for the whole year.

6 If the other entity's profit under subsection (1) is relevant, it is worked
7 out as if the other entity's split percentage applied for the whole year.

8 **68 Subsections 255-20(1) and (2)**

9 Omit "paragraphs 255-10(1)(a) to (d)", substitute "paragraphs 255-10(a)
10 to (d)".

11 **69 Section 300-1 (definition of *MRRT year*)**

12 Repeal the definition, substitute:

13 *MRRT year* has the meaning given by sections 10-25, 190-10 and
14 190-15.

15 ***Minerals Resource Rent Tax (Consequential Amendments 16 and Transitional Provisions) Act 2012***

17 **70 After item 1 of Schedule 4**

18 Insert:

19 **1A Administration of this Schedule**

20 The Commissioner has the general administration of this Schedule.

21 **71 Paragraph 10(a) of Schedule 4**

22 Omit "a miner", substitute "an entity".

23 **72 At the end of subitem 15(1) of Schedule 4**

24 Add:

25 ; and (c) the Commissioner were the recipient mentioned in column 2
26 of that table in relation to that starting base return.

27 **73 At the end of item 15 of Schedule 4**

28 Add:

29 (3) Without limiting subitem (1), from the first time an assessment (a
30 *general assessment*) is made of the MRRT payable by an entity for an
31 MRRT year (or that no MRRT is payable by the entity for the year):

32 (a) an assessment (a *starting base assessment*) that the
33 Commissioner is treated as having made because of

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- 1 subsection 155-15(1) in Schedule 1 to the *Taxation*
2 *Administration Act 1953* in relation to that base value is
3 taken, for the purposes of this Act, to form part of the general
4 assessment; and
5 (b) any objection against the general assessment under
6 section 155-90 in Schedule 1 to that Act must not relate to
7 matters to which the starting base assessment relates; and
8 (c) any amendment of the general assessment under
9 Subdivision 155-B in that Schedule must not relate to matters
10 to which the starting base assessment relates, except to the
11 extent necessary to give effect to the starting base assessment
12 (including the starting base assessment as amended).
- 13 (4) Without limiting sections 155-45 to 155-60 in Schedule 1 to that Act,
14 the Commissioner may amend a general assessment at any time to the
15 extent necessary to give effect to the starting base assessment (including
16 the starting base assessment as amended).

17 *Petroleum Resource Rent Tax Assessment Act 1987*

18 **74 Section 2 (definition of *acquisition*)**

19 Repeal the definition, substitute:

20 ***acquisition*:**

- 21 (a) in clauses 18 and 19 of Schedule 2—has the meaning given
22 by subclauses 18(7) and (8) of that Schedule; and
23 (b) otherwise—has the meaning given by section 195-1 of the
24 GST Act.

25 **75 Section 2 (definition of *created*)**

26 Repeal the definition, substitute:

27 ***created***, in relation to a consolidated group or a MEC group, has
28 the meaning given by subsection 995-1(1) of the *Income Tax*
29 *Assessment Act 1997*.

30 **76 Subsections 4A(1) and (3)**

31 Omit “in relation to” (first occurring), substitute “in, or in relation to,”.

32 **77 Paragraphs 4A(3)(b) and (c)**

33 Repeal the paragraphs, substitute:

- 34 (b) if the time is a time before the project combination certificate
35 came into force:

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- 1 (i) any production licence areas in relation to
2 pre-combination projects relating to the combined
3 project; or
4 (ii) any pre-licence areas in relation to any of those
5 pre-combination projects.

6 **78 Subsection 4A(4)**

7 Omit “in relation to” (first occurring), substitute “in, or in relation to,”.

8 **79 Subsection 4A(4)**

9 After “recovered from”, insert “any of”.

10 **80 Sections 4B and 4C**

11 Omit “in relation to” (first occurring), substitute “in, or in relation to,”.

12 **81 Subsection 10(4) (heading)**

13 Repeal the heading, substitute:

14 *Translation rule—eligible real expenditure*

15 **82 Paragraph 10(4)(a)**

16 Omit “deductible expenditure”, substitute “eligible real expenditure”.

17 **83 Subsection 35C(5)**

18 Omit “subsection (1), (2) or (3)”, substitute “subsection (1) or (2)”.

19 **84 After subsection 35E(1)**

20 Insert:

21 (1A) However, if:

- 22 (a) the petroleum project is the North West Shelf project; and
23 (b) in the starting base financial year for the project or in a later
24 financial year, a production licence relating to the project
25 comes into existence; and
26 (c) the production licence is derived from an exploration permit,
27 or a retention lease, that existed at the start of 1 July 2012;
28 subsection (1) has effect as if the starting base expenditure incurred
29 by the person in that financial year in relation to the project
30 includes an amount equal to the person’s starting base expenditure
31 in that financial year in relation to the petroleum project that
32 would, but for subsection 19(1B), relate to that production licence.

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1 (1B) For the purposes of this Act, starting base expenditure incurred by
2 a person in the starting base financial year is taken to be incurred
3 on the first day of the starting base financial year.

4 **85 Subsection 35E(4)**

5 Omit “The reference in paragraph (1)(a)”, substitute “References in
6 paragraph (1)(a) and subsections (1A) and (1B)”.

7 **86 Subsection 41(2)**

8 Repeal the subsection, substitute:

- 9 (2) This section does not apply if the other person carries on or
10 provides the operations, facilities or other things as part of the
11 processing of:
- 12 (a) internal petroleum in relation to the petroleum project; or
 - 13 (b) external petroleum in relation to a petroleum project other
14 than the project to which the operations, facilities or other
15 things referred to in subsection (1) relate.

16 **87 Paragraph 45(2)(b)**

17 Repeal the paragraph, substitute:

- 18 (b) if paragraph (a) does not apply—at any time on or after
19 2 May 2010, including a time before the project commences
20 or after the project ceases.

21 **88 At the end of section 45**

22 Add:

23 *Transferred expenditure relating to onshore petroleum projects or*
24 *the North West Shelf project*

- 25 (8) To avoid doubt, eligible real expenditure that a person may incur in
26 relation to an onshore petroleum project, or the North West Shelf
27 project, may include expenditure that a person is taken to have
28 incurred in relation to the project, before or after the
29 commencement of this section, because of section 48 or 48A.
- 30 (9) However, if the expenditure is taken to have been incurred before
31 1 July 2012 because of section 48 or 48A, subsection 48(3) or
32 48A(11) (as the case requires) does not apply in relation to the
33 transaction to which the expenditure relates.

34 **89 Subparagraph 48(1)(a)(ib)**

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1 Omit “does not apply in relation to the financial year in which the
2 transaction is or was entered into”, substitute “did not apply
3 immediately before the transfer time”.

4 **90 Subparagraph 48A(5)(ca)(i)**

5 Repeal the subparagraph, substitute:

6 (i) section 35E did not apply immediately before the
7 transfer time; and

8 **91 Subsection 57(3)**

9 Omit “subparagraph 24(1)(d)(i)”, substitute “paragraph 24(1)(d)”.

10 **92 Subsections 58B(1), (4), (5) and (6), 58C(1) and (2) and**
11 **58D(1)**

12 Omit “year of tax” (wherever occurring), substitute “financial year”.

13 **93 Section 58F (heading)**

14 Repeal the heading, substitute:

15 **58F Translation rule—eligible real expenditure**

16 **94 Paragraph 58F(a)**

17 Omit “deductible expenditure”, substitute “eligible real expenditure”.

18 **95 Subsections 58J(1) and (3)**

19 Omit “year of tax” (wherever occurring), substitute “financial year”.

20 **96 Paragraphs 58J(4)(b) and (c)**

21 Omit “years of tax”, substitute “financial years”.

22 **97 Subsection 58J(4)**

23 Omit “year of tax”, substitute “financial year”.

24 **98 Paragraphs 58J(5)(b) and (c)**

25 Omit “years of tax”, substitute “financial years”.

26 **99 Subsection 58J(5)**

27 Omit “year of tax”, substitute “financial year”.

28 **100 Subsections 58J(6), (7), (8), (9), (10) and (11)**

29 Omit “year of tax” (wherever occurring), substitute “financial year”.

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101 Subsection 58K(1) (heading)

Repeal the heading, substitute:

Certain expenditure incurred on the day when section 58B election takes effect

102 Paragraphs 58K(1)(a) and (b)

Omit “year of tax” (wherever occurring), substitute “financial year”.

103 Paragraph 58K(1)(b)

Omit “and”.

104 After subparagraph 58K(1)(b)(iii)

Insert:

(iv) under subsection 35C(5), an amount is taken to be resource tax expenditure incurred by the person in relation to a petroleum project on the first day of the financial year;

(v) under subsection 35D(3) or (4), an amount is taken to be acquired exploration expenditure incurred by the person in relation to a petroleum project on the first day of the financial year;

(vi) under subsection 35E(3), an amount is taken to be starting base expenditure incurred by the person in relation to a petroleum project on the first day of the financial year; and

105 Subsections 58K(2) and 58L(1) and (4)

Omit “year of tax” (wherever occurring), substitute “financial year”.

106 Subsection 58M(1) (heading)

Repeal the heading, substitute:

Certain expenditure incurred on the day when section 58B election takes effect

107 Paragraphs 58M(1)(a), (b) and (c)

Omit “year of tax” (wherever occurring), substitute “financial year”.

108 Paragraph 58M(1)(c)

Omit “and”.

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109 After subparagraph 58M(1)(c)(iii)

Insert:

- (iv) under subsection 35C(5), an amount is taken to be resource tax expenditure incurred by the person in relation to a petroleum project on the first day of the next financial year;
- (v) under subsection 35D(3) or (4), an amount is taken to be acquired exploration expenditure incurred by the person in relation to a petroleum project on the first day of the next financial year;
- (vi) under subsection 35E(3), an amount is taken to be starting base expenditure incurred by the person in relation to a petroleum project on the first day of the next financial year; and

110 Subsection 58M(1)

Omit “year of tax” (last occurring), substitute “financial year”.

111 Subsection 58M(2)

Omit “year of tax” (wherever occurring), substitute “financial year”.

112 Subsection 58N(2)

Omit “or 719-76”, substitute “, 719-76 or 719-78”.

113 Paragraph 58P(2)(a)

Omit “head company’s and subsidiary member’s interests”, substitute “head company’s or provisional head company’s interests, and any subsidiary member’s interests,”.

114 At the end of subsection 58P(2)

Add:

- ; and (d) working out the head company’s or provisional head company’s notional tax amount, and any subsidiary member’s notional tax amount, in relation to an instalment period in any such year of tax.

115 Subsection 58P(2) (paragraph (a) of the example)

After “head company’s”, insert “or provisional head company’s”.

116 Subsection 58P(2) (paragraph (b) of the example)

After “head company”, insert “or provisional head company”.

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117 Subsection 58P(2) (paragraph (c) of the example)

Repeal the paragraph, substitute:

- (c) a subsidiary member's liability to pay tax in relation to a period before becoming a member of the group (and any interest charges associated with such a liability) remains a liability of the subsidiary member and does not become a liability of the head company or provisional head company.

118 Section 58Q

Omit all the words after "section 48 applies", substitute:

as if, at that time:

- (a) each of the person's interests in onshore petroleum projects just before that time had been transferred to the head company or provisional head company; and
- (b) the head company or provisional head company had given the consideration referred to in paragraph 48(1A)(c).

119 Subsection 58R(1)

After "as if", insert ", at that time,".

120 At the end of subsection 58R(1)

Add ", and as if the person had given the consideration referred to in paragraph 48(1A)(c)".

121 Subsection 58R(2)

After "as if", insert ", at that time,".

122 At the end of subsection 58R(2)

Add ", and as if the person had given the consideration referred to in paragraph 48A(11)(b)".

123 After section 58R

Insert:

58RA Interests taken to be transferred when combined with offshore interests

(1) If:

- (a) after a person's interest in an onshore petroleum project is taken to be transferred to the head company or provisional head company, the project becomes part of a combined

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1 project of which another petroleum project that is not an
2 onshore petroleum project is also a part; and
3 (b) the entitlement comprising the person's interest in the project
4 just after that time is all of the entitlement comprising the
5 company's interest in the project just before that time;
6 section 48 applies as if, at that time, the person's interest in the
7 project just after that time had been transferred from the company
8 under a transaction of a kind referred to in subsection 48(1A), and
9 as if the person had given the consideration referred to in
10 paragraph 48(1A)(c).

11 (2) If:

12 (a) after a person's interest in an onshore petroleum project is
13 taken to be transferred to the head company or provisional
14 head company, the project becomes part of a combined
15 project of which another petroleum project that is not an
16 onshore petroleum project is also a part; and
17 (b) the entitlement comprising the person's interest in the project
18 just after that time is part, but not all, of the entitlement
19 comprising the company's interest in the project just before
20 that time;
21 section 48A applies as if, at that time, the person's interest in the
22 project just after that time had been transferred from the company
23 under a transaction of a kind referred to in subsection 48A(1), and
24 as if the person had given the consideration referred to in
25 paragraph 48A(11)(b).

26 **124 Subparagraph 58U(1)(a)(i)**

27 Omit “*MEC group”, substitute “MEC group”.

28 **125 Subparagraph 58U(1)(b)(i)**

29 Omit “*provisional head company of a *MEC group”, substitute
30 “provisional head company of a MEC group”.

31 **126 Paragraph 58V(1)(a)**

32 Omit “*MEC group”, substitute “MEC group”.

33 **127 At the end of section 58V**

34 Add:

35 (3) If this section applies because a MEC group is created from a
36 consolidated group, references in paragraph (2)(c) to the head

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1 company of the new group are taken to be references to the head
2 company or the provisional head company of the new group.

3 **128 At the end of Division 8 of Part V**

4 Add:

5 **58W Subsidiary members that are trusts**

6 If a subsidiary member of a consolidated group or MEC group is a
7 trust, this Division applies to the subsidiary member as if it were a
8 person.

9 **129 Subsection 93(1)**

10 After “sections”, insert “58P”.

11 **130 Paragraph 97(1A)(b)**

12 After “35(3)”, insert “, 35C(5), 35D(3) and (4), 35E(3)”.

13 **131 Subsection 97(1AA)**

14 Omit “subparagraph 24(1)(d)(i) or paragraph 24(1)(e)”, substitute
15 “paragraph 24(1)(d) or (e)”.

16 **132 At the end of section 109**

17 Add:

18 (5) This section does not apply to a trustee of a trust in relation to any
19 period during which the trust:

20 (a) is a subsidiary member of a consolidated group or a MEC
21 group; and

22 (b) is taken, under section 58P, to be part of the head company or
23 provisional head company of the group for the purposes
24 covered by subsection 58P(2).

25 **133 Clause 1 of Schedule 1 (paragraph (b) of the definition of**
26 ***relevant pre-commencement day*)**

27 Omit “, the Bass Strait project or the North West Shelf project”.

28 **134 Clause 1 of Schedule 1 (at the end of the definition of**
29 ***relevant pre-commencement day*)**

30 Add:

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1 ; or (c) if the petroleum project is the Bass Strait project or the North
2 West Shelf project—the day occurring 5 years before the
3 earlier of the following:

- 4 (i) the earliest day specified in a production licence notice
5 in relation to the project;
6 (ii) the earliest day a production licence was issued in
7 relation to the project.

8 **135 At the end of clause 22 of Schedule 1**

9 Add:

- 10 (5) For the purposes of subclause (1) but without limiting that
11 subclause, the person is taken to hold an interest in relation to the
12 transferring entity or the receiving project during a period if:
13 (a) in relation to all times during the period, the person and
14 another person are group companies in relation to each other;
15 and
16 (b) at all times during the period, the other person held an
17 interest in relation to the transferring entity or the receiving
18 project, as the case requires.

19 **136 After subclause 31(2) of Schedule 1**

20 Insert:

21 (2A) If:

- 22 (a) at a time (the *cessation time*) after the expenditure was
23 incurred and on or after 1 July 1993, the loss company ceased
24 to hold any interest in relation to the transferring entity; and
25 (b) the cessation did not occur because of a transaction to which
26 section 48 applies;
27 subclause (1) does not require the loss company to have held an
28 interest in relation to the transferring entity at a time after the
29 cessation time.

30 **137 Paragraph 3(1)(b) of Schedule 2**

31 Repeal the paragraph, substitute:

- 32 (b) an interest that the person may in the future hold in such a
33 project, if:
34 (i) the project does not exist at the time the person makes
35 the choice; and
36 (ii) the production licence to which the project would relate
37 would, if it later came into existence, be derived from an

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1 exploration permit or retention lease in which the person
2 held an interest at that time.

3 **138 Paragraph 5(b) of Schedule 2**

4 Omit “from which the interest is derived”, substitute “from which the
5 production licence to which the project relates is derived”.

6 **139 Paragraph 7(3)(b) of Schedule 2**

7 Omit “from which the project is derived”, substitute “from which the
8 production licence to which the project relates is derived”.

9 **140 Subclause 7(3) of Schedule 2 (note)**

10 Omit “subsection”, substitute “subclause”.

11 **141 Subparagraph 10(1)(a)(ii) of Schedule 2**

12 Omit “project (or pre-combination project)”, substitute “production
13 licence”.

14 **142 Subparagraph 10(2)(b)(i) of Schedule 2**

15 Omit “section 3”, substitute “clause 3”.

16 **143 Subclause 10(3) of Schedule 2**

17 Omit “subsection (1)”, substitute “subclause (1)”.

18 **144 Subclause 10(4) of Schedule 2**

19 Repeal the subclause, substitute:

- 20 (4) Despite subclause (1), something cannot become a starting base
21 asset relating to an interest in a petroleum project that relates to a
22 particular production licence if:
- 23 (a) the production licence is derived from a particular retention
24 lease or exploration permit; and
 - 25 (b) the thing has already become a starting base asset relating to
26 an interest in another petroleum project; and
 - 27 (c) the production licence to which the other project relates:
 - 28 (i) came into force between 2 May 2010 and 30 June 2012;
29 and
 - 30 (ii) is derived from that retention lease or exploration
31 permit.

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1 (4A) Despite subclause (1), something cannot become a starting base
2 asset relating to an interest in a petroleum project that relates to a
3 particular production licence if:

4 (a) the production licence is derived from a particular
5 exploration permit; and

6 (b) a retention lease that is related to the exploration permit came
7 into force between 2 May 2010 and 30 June 2012; and

8 (c) the production licence is not derived from the retention lease.

9 Note: For the relationship between production licences, exploration permits
10 and retention leases, see section 4.

11 **145 Paragraph 15(5)(b) of Schedule 2**

12 Omit “from which the project is derived”, substitute “from which the
13 production licence to which the project relates is derived”.

14 **146 After subclause 18(5) of Schedule 2**

15 Insert:

16 (5A) For the purposes of subclause (1), if the person disposed of part of
17 the interest during the period between 1 July 2007 and 2 May
18 2010:

19 (a) the acquisition is taken to be an acquisition of so much (the
20 *remaining part*) of the interest as the person holds
21 immediately after the last such partial disposal to take place
22 during that period; and

23 (b) the acquisition expenditure is taken to be so much of the
24 expenditure referred to in paragraph (2)(a) or (b) as is
25 attributable to the remaining part of the interest.

26 **147 Subclause 18(6) of Schedule 2 (heading)**

27 Repeal the heading, substitute:

28 *Interests acquired before 1 July 2007*

29 **148 Paragraphs 18(6)(a) and (b)**

30 Omit “30 June 2007”, substitute “1 July 2007”.

31 **149 Subclause 18(7) of Schedule 2**

32 Repeal the subclause (not including the heading), substitute:

33 (7) For the purposes of this clause and clause 19:

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-
- 1 (a) the person holding an interest in an onshore petroleum
2 project or the North West Shelf project is taken to have
3 acquired the interest if and only if:
4 (i) in a case where the project existed on 2 May 2010—the
5 person purchased the interest; or
6 (ii) in a case where the project did not exist on 2 May
7 2010—the person purchased the exploration permit or
8 retention lease from which the production licence to
9 which the project relates is derived, or purchased an
10 interest in the exploration permit or retention lease; and
11 (b) the acquisition is taken to have occurred when the transaction
12 was first entered into that, when complete, had the effect of
13 transferring the interest, or the permit or lease; and
14 (c) except for the purposes of subclause (6) of this clause, the
15 acquisition expenditure relating to the acquisition includes
16 any expenditure the person incurred, at any time, in acquiring
17 the interest:
18 (i) during the period between 1 July 2007 and 2 May 2010;
19 or
20 (ii) under an agreement entered into during the period
21 between 1 July 2007 and 2 May 2010.

22 **150 Subparagraph 18(8)(b)(i) of Schedule 2**

23 Repeal the subparagraph, substitute:

- 24 (i) the transaction that, when complete, had the effect of the
25 first company becoming a subsidiary of the other
26 company; or

27 **151 Paragraph 18(8)(c) of Schedule 2**

28 After “incurred”, insert “, at any time,”.

29 **152 Paragraph 19(2)(c) of Schedule 2**

30 Omit “the day of the acquisition”, substitute “the day on which the
31 acquisition of the interest, or the acquisition of the company, was
32 recognised in accordance with those accounting standards”.

33 **153 At the end of Part 4 of Schedule 2**

34 Add:

35 **21A Assessable property receipts**

- 36 (1) Without limiting section 27, if:
-

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-
- 1 (a) on or after 1 July 2012, consideration is receivable by a
2 person in respect of the disposal, loss or destruction of an
3 asset; and
4 (b) the asset was used, or being constructed for use, before 1 July
5 2012 in carrying on project activities relating to an onshore
6 petroleum project or the North West Shelf project;
7 the disposal, loss or destruction is taken, for the purposes of that
8 section, to be a disposal, loss or destruction of property in respect
9 of which capital expenditure of the kind referred to in paragraph
10 27(1)(a) was incurred by the person.
- 11 (2) However, if the asset was used, or being constructed for use, before
12 1 July 2012 only partly in carrying on project activities relating to
13 the project, subclause (1) applies to the disposal, loss or destruction
14 only to the extent that the asset was so used, or being constructed
15 for use.

16 **154 Paragraph 23(4)(b) of Schedule 2**

17 Omit “section 66”, substitute “subsection 66(1)”.

18 **155 After subclause 23(5) of Schedule 2**

19 Insert:

20 (5A) If:

- 21 (a) section 48 or 48A applies in relation to a transaction that has
22 the effect of transferring a person’s entitlement to derive,
23 after the transaction, assessable receipts in relation to a
24 petroleum project; and
25 (b) the person is a vendor (within the meaning of that section) in
26 relation to the transaction; and
27 (c) before the transaction, a starting base assessment was taken
28 to have been made relating to the person and the project;
29 after the transaction, subclauses (4) and (5) of this clause apply, in
30 relation to a person who is a purchaser (within the meaning of
31 section 48 or 48A) in relation to the transaction, and cease to apply
32 in relation to the vendor, to the extent that the transaction had the
33 effect of transferring that entitlement to the purchaser.
- 34 (5B) To the extent that subclauses (4) and (5) apply because of
35 subclause (5A), the starting base assessment is taken to have been
36 made relating to the purchaser, and not the vendor.

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1 *Taxation Administration Act 1953*

2 **156 Paragraph 8AAZLG(1)(b)**

3 Repeal the paragraph, substitute:

4 (b) that the entity is required to give the Commissioner under:

- 5 (i) any of the BAS provisions (as defined in subsection
6 995-1(1) of the *Income Tax Assessment Act 1997*); or
7 (ii) any of the resource rent tax provisions (as defined in
8 that subsection).

9 **157 Subsection 8AAZLH(1)**

10 Repeal the subsection, substitute:

- 11 (1) This section applies to refunds payable to an entity of RBA
12 surpluses, or excess non-RBA credits that relate to an RBA, if
13 primary tax debts arising under:
14 (a) any of the BAS provisions (as defined in subsection 995-1(1)
15 of the *Income Tax Assessment Act 1997*); or
16 (b) any of the resource rent tax provisions (as defined in that
17 subsection);
18 have been allocated to that RBA.

19 **158 Section 14ZQ**

20 Insert:

21 *starting base assessment* has the same meaning as in clause 23 of
22 Schedule 2 to the *Petroleum Resource Rent Tax Assessment Act*
23 *1987*.

24 **159 Subparagraphs 14ZZK(b)(i) and (ii) and 14ZZO(b)(i) and 25 (ii)**

26 After “franking assessment”, insert “or a starting base assessment”.

27 **160 At the end of section 11-1 in Schedule 1**

28 Add:

29 ; and (h) *petroleum resource rent tax.

30 **161 Paragraphs 12-330(1)(b) and 12-335(2)(a) in Schedule 1**

31 Omit “or *MRRT”, substitute “,*MRRT or *petroleum resource rent
32 tax”.

33 **162 Subsection 18-10(3) in Schedule 1 (note)**

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1 Repeal the note, substitute:

2 Note 1: Section 18-49 provides a credit for amounts withheld in respect of
3 MRRT.

4 Note 2: Section 18-55 provides a credit for amounts withheld in respect of
5 petroleum resource rent tax.

6 **163 At the end of Subdivision 18-A in Schedule 1**

7 Add:

8 **Entitlement to credit: Petroleum resource rent tax**

9 **18-55 Credit—Natural resource payments**

10 (1) An entity is entitled to a credit in a year of tax (within the meaning
11 of the *Petroleum Resource Rent Tax Assessment Act 1987*) if:

12 (a) one or more *withholding payments covered by
13 section 12-325 (natural resource payments) from which there
14 are *amounts withheld in respect of *petroleum resource rent
15 tax are made to the entity during the year of tax; and

16 (b) an assessment has been made of the petroleum resource rent
17 tax payable, or an assessment has been made that no
18 petroleum resource rent tax is payable, by the entity for the
19 year of tax.

20 (2) The amount of the credit is so much of the total of the *amounts
21 withheld as is withheld in respect of *petroleum resource rent tax.

22 **164 Section 115-1 in Schedule 1**

23 After “mining revenue”, insert “or pre-mining revenue”.

24 **165 At the end of section 117-20 in Schedule 1**

25 Add:

26 (6) In addition to the *starting base return required under
27 subsection (1) (and the *MRRT returns required under
28 section 117-5 or 117-15), you must give the Commissioner such
29 further or fuller starting base returns as the Commissioner directs
30 you to give (including any starting base return in your capacity as
31 agent or trustee).

32 **166 Paragraph 284-75(2)(a) in Schedule 1**

33 After “the *MRRT law”, insert “or *petroleum resource rent tax law”.

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1 **167 Paragraph 284-75(2)(b) in Schedule 1**

2 After “the MRRT law”, insert “or petroleum resource rent tax law”.

3 **168 Subsection 284-80(1) in Schedule 1 (table item 3)**

4 Omit “, or the *MRRT law,”, substitute “, the *MRRT law or the
5 *petroleum resource rent tax law”.

6 **169 Subsection 284-80(1) in Schedule 1 (table item 4)**

7 Omit “, or the *MRRT law,” (first occurring), substitute “, the *MRRT
8 law or the *petroleum resource rent tax law”.

9 **170 Subsection 284-80(1) in Schedule 1 (table item 4)**

10 Omit “*income tax law, or the *MRRT law,” (last occurring), substitute
11 “income tax law, the MRRT law or the petroleum resource rent tax
12 law”.

13 **171 Subsection 284-90(1) in Schedule 1 (cell at table item 4,
14 column headed “In this situation:”)**

15 Repeal the cell, substitute:

You have a *shortfall amount, all or part of which resulted from you or your agent treating an *income tax law, the *MRRT law or the *petroleum resource rent tax law as applying to a matter or identical matters in a particular way that was not *reasonably arguable, and that amount is more than the greater of \$10,000 or 1% of whichever of the following applies:

- (a) the income tax payable by you for the income year, worked out on the basis of your *income tax return;
- (b) the *MRRT payable by you for the *MRRT year, worked out on the basis of your *MRRT return;
- (c) the *petroleum resource rent tax payable by you for the year of tax (within the meaning of the *Petroleum Resource Rent Tax Assessment Act 1987*), worked out on the basis of your return under Division 1 of Part VI of that Act.

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1 *Taxation (Interest on Overpayments and Early Payments) Act*
2 *1983*

3 **172 Subsection 3(1) (paragraph (d) of the definition of**
4 ***decision to which this Act applies*)**

5 Omit “the liability of the person to tax”, substitute “the liability of the
6 person to relevant tax *or other tax?*”.

7 **173 Subsection 3C(2)**

8 Repeal the subsection, substitute:

9 (2) Without limiting subsection (1), a reference in item 160 of the table
10 to assessed MRRT includes any general interest charge due and
11 payable in relation to such an amount.

12 **174 Section 12AA (heading)**

13 Repeal the heading, substitute:

14 **12AA Entitlement to interest for RBA surpluses after notification of**
15 **BAS amount or resource rent tax amount**

16 **175 Paragraph 12AA(a)**

17 After “BAS amount”, insert “or resource rent tax amount”.

18 **176 Section 12AA (note)**

19 After “*BAS amount,*”, insert “*resource rent tax amount,*”.

20 **177 Paragraph 12AB(a)**

21 After “BAS amount”, insert “or resource rent tax amount”.

22 **178 Section 12AB (note)**

23 After “*BAS amount,*”, insert “*resource rent tax amount,*”.

24 **179 Paragraph 12AC(b)**

25 After “BAS amount”, insert “or resource rent tax amount”.

26 **180 Section 12AC (note)**

27 After “*BAS amount,*”, insert “*resource rent tax amount,*”.

28 **181 Section 12AF**

29 Insert:

EXPOSURE-DRAFT

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resource rent tax amount has the same meaning as in subsection 995-1(1) of the Tax Act.

EXPOSURE-DRAFT

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2 **Part 2—Other amendments**

3 ***Fringe Benefits Tax Assessment Act 1986***

4 **182 At the end of subsection 132(1)**

5 Add:

6 Penalty: 30 penalty units.

7 **183 At the end of subsection 132(2)**

8 Add:

9 Penalty: 30 penalty units.

10 **184 At the end of subsection 132(3)**

11 Add:

12 Penalty: 30 penalty units.

13 **185 Subsection 132(5) (notes)**

14 Repeal the notes.

15 **186 At the end of section 132**

16 Add:

17 (6) An offence under this section is an offence of strict liability.

18 Note 1: For strict liability, see section 6.1 of the *Criminal Code*.

19 Note 2: There is an administrative penalty if you do not keep or retain records
20 as required by this section: see section 288-25 in Schedule 1 to the
21 *Taxation Administration Act 1953*.

22 Note 3: See section 4AA of the *Crimes Act 1914* for the current value of a
23 penalty unit.

24 ***Income Tax Assessment Act 1997***

25 **187 Subsection 328-130(2) (example)**

26 Omit “and trustees of the same trust”.

27 **188 Subsection 393-40(1)**

EXPOSURE-DRAFT

1 Omit “within 12 months”, substitute “before the last day of the 12
2 months”.

3 **189 Subdivision 402-W**

4 Repeal the Subdivision.

5 ***Retirement Savings Accounts Regulations 1997***

6 **190 Paragraph 4A.04(1)(b)**

7 Omit “allocated pension or market linked pension”, substitute
8 “allocated pension, market linked pension or account based pension”.

9 **191 Paragraph 4A.05(6A)(b)**

10 Omit “allocated pension or market linked pension”, substitute
11 “allocated pension, market linked pension or account based pension”.

12 **192 Paragraph 4A.08(1)(b)**

13 Omit “allocated pension or market linked pension”, substitute
14 “allocated pension, market linked pension or account based pension”.

15 **193 Subparagraph 4A.15(1)(b)(ii)**

16 Omit “allocated pension or market linked pension”, substitute
17 “allocated pension, market linked pension or account based pension”.

18 **194 Paragraph 4A.18(1)(b)**

19 Omit “allocated pension or market linked pension”, substitute
20 “allocated pension, market linked pension or account based pension”.

21 **195 Paragraph 4A.27(1)(b)**

22 Omit “allocated pension or market linked pension”, substitute
23 “allocated pension, market linked pension or account based pension”.

24 **196 Paragraph 4A.28(1)(b)**

25 Omit “allocated pension or market linked pension”, substitute
26 “allocated pension, market linked pension or account based pension”.

27 ***Superannuation Industry (Supervision) Regulations 1994***

28 **197 Paragraph 7A.03A(1)(b)**

29 Omit “allocated pension or market linked pension”, substitute
30 “allocated pension, market linked pension or account based pension”.

EXPOSURE-DRAFT

1 **198 Paragraph 7A.03B(6A)(b)**

2 Omit “allocated pension or market linked pension”, substitute
3 “allocated pension, market linked pension or account based pension”.

4 **199 Subparagraph 7A.03E(b)(i)**

5 Omit “allocated pension or market linked pension”, substitute
6 “allocated pension, market linked pension or account based pension”.

7 **200 Subparagraph 7A.04(1)(b)(ii)**

8 Omit “allocated pension or market linked pension”, substitute
9 “allocated pension, market linked pension or account based pension”.

10 **201 Paragraph 7A.07(1)(b)**

11 Omit “allocated pension or market linked pension”, substitute
12 “allocated pension, market linked pension or account based pension”.

13 **202 Paragraph 7A.16(1)(b)**

14 Omit “allocated pension or market linked pension”, substitute
15 “allocated pension, market linked pension or account based pension”.

16 **203 Subregulation 7A.16(4)**

17 Omit “allocated pension or a market linked pension”, substitute
18 “allocated pension, market linked pension or account based pension”.

19 **204 Paragraph 7A.17(1)(b)**

20 Omit “allocated pension or market linked pension”, substitute
21 “allocated pension, market linked pension or account based pension”.

22 **205 Paragraph 7A.18(1)(b)**

23 Omit “allocated pension or market linked pension”, substitute
24 “allocated pension, market linked pension or account based pension”.

25 ***Taxation Administration Act 1953***

26 **206 Section 45-630 in Schedule 1 (note 1)**

27 Omit “income law”, substitute “income tax law”.

28 **207 Subsection 355-70(1) in Schedule 1 (table item 3)**

29 Omit “1 July 2013”, substitute “1 July 2015”.

30 **208 Application**

EXPOSURE-DRAFT

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- 1 (1) The amendment made by item 186 does not apply in relation to offences
2 committed before the commencement of this Act.
- 3 (2) The amendment made by item 188 applies, and is taken to have applied,
4 in relation to withdrawals that occur, or occurred, at any time after the
5 start of the 2010-11 income year.
- 6 (3) Former subsection 393-37(1) in Schedule 2G to the *Income Tax*
7 *Assessment Act 1936* applies, and is taken to have applied, in relation to
8 withdrawals that occurred during the period:
9 (a) starting just after 1 pm (by legal time in the Australian
10 Capital Territory) on 11 November 1999; and
11 (b) ending just before the date that item 3 commences;
12 as if the amendment made by item 188 to subsection 393-40(1) of the
13 *Income Tax Assessment Act 1997* was made (with any necessary
14 changes) to former subsection 393-37(1).
- 15 (4) To avoid doubt, the necessary change to former subsection 393-37(1) is
16 that the reference to “within the 12 months” is taken to be a reference to
17 “before the last day of the 12 months”.
- 18 (5) The amendments made by items 190 to 205 apply, and are taken to have
19 applied, from 1 July 2007.
- 20 (6) The amendment made by item 207 applies to records and disclosures of
21 information made on or after 1 July 2013 (whenever the information
22 was acquired).