

Australian Capital Territory

# Taxation Administration (Amounts Payable—Utilities (Network Facilities Tax)) Determination 2016 (No 1)

Disallowable instrument DI2016–17

made under the

*Taxation Administration Act 1999*, s 139 (Determination of amounts payable under tax laws)

## EXPLANATORY STATEMENT

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This instrument is the *Taxation Administration (Amounts Payable—Utilities (Network Facilities Tax)) Determination 2016 (No 1)*.

This instrument commences the day after notification.

The main purpose of this instrument is to revoke DI2015-46, notified on 27 March 2015, and to determine a new rate for the calculation of Utilities Network Facilities Tax (UNFT) payable under the *Utilities (Network Facilities Tax) Act 2006* (the UNFT Act).

Section 139 of the *Taxation Administration Act 1999* empowers the Minister to determine amounts for taxes, duties and levies payable under a tax law, including the rate for the UNFT under section 8 of the UNFT Act. The tax is calculated by multiplying the determined rate by the total network route length, measured in kilometres.

The UNFT is a tax payable to the Commissioner for ACT Revenue by the owners of utility network infrastructure located in the ACT. The UNFT applies to telecommunication, gas, electricity, water and sewerage network providers.

Utilities network owners must lodge an annual return for each year ending 31 March. The 2015–16 return is for the period 1 April 2015 to 31 March 2016, and is payable by 30 May 2016, 60 days after the end of the year.

The 2014–15 Budget announced future UNFT determinations would be indexed by 5 per cent for 2014–15 and in each of the forward years.

Based on a 5 per cent indexation, the UNFT rate will increase from \$992 per kilometre for the year ending 31 March 2015, to \$1042 per kilometre for the year

ending 31 March 2016 (a \$50 increase, representing 5 per cent rounded up to the nearest whole dollar).

This instrument determines that, for the purpose of section 8 of the UNFT Act, the determined rate will be \$1042 per kilometre of network route length.