

Australian Capital Territory

Taxation Administration (Amounts Payable—Utilities (Network Facilities Tax)) Determination 2017 (No 1)

Disallowable instrument DI2017–32

made under the

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

EXPLANATORY STATEMENT

This instrument is the *Taxation Administration (Amounts Payable—Utilities (Network Facilities Tax)) Determination 2017 (No 1)*.

This instrument commences the day after notification.

The main purpose of this instrument is to revoke DI2016-17, notified on 27 March 2016, 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 2016–17 return is for the period 1 April 2016 to 31 March 2017, and is payable by 30 May 2017, 60 days after the end of the year.

The 2015-16 Budget Review announced UNFT determination would be indexed by an additional five per cent for 2016-17, leading to a total increase of 10 per cent, and revert to the current annual five per cent indexation from 2017-18. Based on a 10 per cent indexation, the UNFT rate will increase from \$1,042 per kilometre for the year ending 31 March 2016, to \$1,147 per kilometre for the year ending 31 March 2017 (a \$105 increase, representing 10 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 \$1,147 per kilometre of network route length.

Authorised by the Treasurer
Andrew Barr MLA