

Australian Capital Territory

Taxation Administration (Special Arrangements—Lodging of Returns) Revocation 2017 (No 1)

Disallowable instrument DI2017–138

made under the

Taxation Administration Act 1999, s 42 (Special arrangements for classes of people)

EXPLANATORY STATEMENT

This disallowable instrument commences on the day after its notification day.

Under section 42 of the *Taxation Administration Act 1999* the Commissioner has the authority to approve by disallowable instrument special arrangements for specified classes of taxpayers. Under section 42 (4) (a) of the *Taxation Administration Act* an approval may provide an exemption for taxpayers from stated provisions of a tax law.

Under section 46 of the *Legislation Act 2001* the power given under an Act to make a statutory instrument includes power to repeal the instrument, exercisable in the same way and subject to the same conditions as the power to make the instrument.

Until 30 June 2016 insurance duty was payable on the amount of premium paid in relation to a contract for general or life insurance under the *Duties Act 1999*. The *Duties Act* required insurance companies to submit returns and payments on or before the 21st day of each month to the Commissioner for ACT Revenue (the Commissioner).

As part of the ACT's taxation reform measures, the duty rate for insurance premiums reduced to nil on 1 July 2016 under the *Taxation Administration (Amounts Payable—Duty) Determination 2016 (No 2)* DI2016-139.

The *Taxation Administration (Special Arrangements—Lodging of Returns) Approval 2016 (No 1)* DI2016-157 provided an exemption for registered insurers from the requirement to lodge monthly returns to the ACT Revenue Office as no insurance duty was payable on and after 1 July 2016.

DI2016-157 also exempted insured people from any requirement to themselves lodge returns with the Commissioner in the circumstances required by the *Duties Act*.

Finally, DI2016-157 exempted life companies from the requirement to endorse life insurance policies in a way approved by the Commissioner.

The suspension of returns by DI2016-157 in conjunction with the determination of nil insurance duty rates under DI2016-139 was a temporary administrative measure to ensure taxpayer confidence and certainty.

As the *Revenue Legislation Amendment Act 2017 (No 2)* will repeal the relevant provisions of the Duties Act on 1 July 2017, this instrument revokes DI2016-157. Special arrangements for insurance duty will not be required on and after that date.

Authorised by the Commissioner for ACT Revenue
Kim Salisbury