

2004-05 Budget Amendments Cessation of Debits Tax from 1 July 2005

This circular provides information on proposed amendments to the Debits Tax Act to implement the Territory Government's decision to abolish debits tax from 1 July 2005.

Commencement

The decision to abolish debits tax forms part of the Territory's commitments under the national tax reform arrangements. To meet this commitment, the Debits Tax Amendment Bill proposes amendments to provide that no debits tax liability will arise in respect of a debit made to an account held with a financial institution on or after 1 July 2005.

Summary

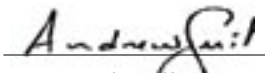
Debits tax liabilities accruing up to and including 30 June 2005 will remain payable. The final return for the month of June 2005 will be due and payable by 14 July 2005.

The abolition of debits tax will not remove the liability to lodge returns nor pay tax that remains outstanding for periods prior to 1 July 2005. Outstanding returns and unpaid tax will continue to attract relevant penalties where applicable.

In accordance with the *Debits Tax Act*, proper books and accounts must be retained recording full particulars of all matters in relation to which tax is imposed. Such records are to be retained for a period of five years after the completion of those matters and must be available for inspection when requested. Also, the investigative, assessment and other supporting administrative powers provided in the *Debits Tax Act* will be retained past 1 July 2005.

Revenue Circular RA001, which sets out information on the revenue circular system, is incorporated into and is to be read as one with this Circular.

Refer to the Debits Tax Amendment Bill 2004 for precise details of the changes. For general information, please contact Territory Revenue Management on 1300 305 535.



Authorised by
the Commissioner of Taxes
May 2004