Victoria remains committed to payroll tax harmonisation with all states and territories. National reform will bring even greater benefits to a greater number of taxpayers and further drive down the cost of doing business across jurisdictions.

I commend the bill to the house.

Debate adjourned on motion of Mr WELLS (Scoresby).

Debate adjourned until Wednesday, 6 June.

STATE TAXATION ACTS AMENDMENT BILL

Statement of compatibility

Mr BRUMBY (Treasurer) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act:

In accordance with section 28 of the Charter of Human Rights and Responsibilities, I make this statement of compatibility with respect to the State Taxation Acts Amendment Bill 2007.

In my opinion, the State Taxation Acts Amendment Bill 2007, as introduced to the Legislative Assembly, is compatible with the human rights protected by the charter. I base my opinion on the reasons outlined in this statement.

Overview of bill

The purpose of the State Taxation Acts Amendment Bill 2007 is to introduce certain measures including amendments to the Duties Act 2000, which clarify the intent of the land rich provisions and make minor amendments to the motor vehicle duty provisions and amendments to the Taxation Administration Act 1997, which rectify abuse of certain concessions offered to taxpayers who cooperate with the commissioner before or during an investigation.

Human rights issues

1. ***Human rights protected by the charter that are relevant to the bill***

The bill does not raise any human rights issues.

2. ***Consideration of reasonable limitations — section 7(2)***

As the bill does not raise any human rights issues, it does not limit any human right, and therefore it is not necessary to consider section 7(2) of the charter.

Conclusion

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities because it does not raise a human rights issue.

JOHN BRUMBY, MP
Treasurer

Second reading

Mr BRUMBY (Treasurer) — I move:

That this bill be now read a second time.

This bill makes amendments to both the Duties Act 2000 and the Taxation Administration Act 1997. The amendments provide clarification on issues relating to the land rich and motor vehicle provisions of the Duties Act 2000 and seek to ensure that only taxpayers who fully cooperate with the commissioner before or during an investigation receive the relevant concessions under the Taxation Administration Act 1997.

The current land rich provisions were introduced in 2004. They resulted from a significant review that identified arrangements being contrived to change the ownership of high-value city, suburban and regional properties, or any part interest in them, without payment of duty that such ownership changes should attract. It was believed at that time that the extent of the avoidance of this duty could exceed $50 million per annum.

The State Revenue Office has now had an opportunity to monitor these provisions in operation and consider any improvements. This has resulted in amendments that address concerns relating to the interpretation of the provisions. These amendments seek to clarify the intended application of the provisions to trustees and ensure that when a trustee acquires an interest in different capacities, the interests are not aggregated for assessment purposes unless the trustee has acquired the interests for the same persons or associated persons. The amendments also clarify the charging provisions in relation to aggregated acquisitions.

The changes to the motor vehicle duty provisions are very minor in nature. One provides clarity and offers consistency in the administration of the demonstrator vehicle exemption. The other simply changes a heading to refer from 'change of ownership' to a more accurate depiction of 'a change of use'.

The amendments to the Taxation Administration Act 1997 relate to its penalty provisions. Currently, those provisions determine the initial amount of penalty tax payable where there is a tax default and then provide for an automatic reduction if the taxpayer discloses sufficient information to the commissioner, in writing, to enable the nature and extent of a tax default to be determined. The reduction in penalty tax is 80 per cent if the disclosure occurs before an investigation commences and 20 per cent if disclosure occurs after an investigation commences but before it is completed.