

Revenue and Other Legislation Amendment Bill 2018

Explanatory Notes for Amendments to be Moved During Consideration in Detail by the Honourable Jackie Trad MP

Title of the Bill

The short title of the Bill is the Revenue and Other Legislation Amendment Bill 2018.

Objectives of the Amendments

The objective of the amendment to be moved during consideration in detail is to make a minor and technical amendment to address issues raised about the adequacy of the transitional arrangements for the amendments in the Bill to the charitable institution registration requirements in the *Taxation Administration Act 2001*.

Achievement of the Objectives

The objective is achieved by amending clause 84 to extend the period that currently registered charitable institutions are given to comply with the amendments to the charitable institution registration requirements. All currently registered charitable institutions will have two years to amend their constitution or other governing instrument before they are subject to the amendments.

Alternative Ways of Achieving Policy Objectives

There are no alternative ways of achieving the policy objective.

Estimated Cost for Government Implementation

There are no additional costs associated with the amendment to be moved during consideration in detail.

Consultation

The amendment to be moved during consideration in detail has been informed by stakeholder feedback on the Bill, including written submissions provided to the Economic and Governance Committee during its Inquiry into the Bill and at the Committee's public hearings.

Notes on Provisions

Amendment 1 amends clause 84 of the Bill to extend the transitional arrangements under new section 178 of the *Taxation Administration Act 2001*. These arrangements apply to an institution registered as a charitable institution immediately before the commencement of section 149C as amended by the Bill, when enacted. Amended section 149C(5) ensures that institutions seeking registration must expressly include in their constitutions particular clauses which govern the use of the institution's income and property.

Section 178(2) in clause 84 is amended to provide that section 149C as in force immediately before commencement (unamended section 149C) continues to apply for a transitional period of two years after the commencement. Section 178(2) previously provided that unamended section 149C continued to apply for a transitional period of eighteen months (if an institution's constitution is a law) or six months (for all other institutions).

To address concerns that the transitional periods may be insufficient, the extended transitional arrangements will ensure that all currently registered institutions are given ample time to amend their constitutions to comply with the amendments to section 149C(5).