

DEBITS TAX ACT

No. 56 of 1990

AN ACT to impose a tax in respect of certain debits made to accounts kept with financial institutions.

[Assented to 17 December 1990.]

The Parliament of Western Australia enacts as follows:

Short title

1. This Act may be cited as the *Debits Tax Act 1990*.

Commencement

2. (1) In this section “the relevant day” means the day of the coming into operation of the *Debits Tax Termination Act 1990* of the Commonwealth.

(2) If this Act receives the Royal Assent on or before the relevant day it shall come into operation on the relevant day.

(3) If this Act receives the Royal Assent after the relevant day it shall be deemed to have come into operation on the relevant day.

Incorporation of *Debits Tax Assessment Act 1990*

3. The *Debits Tax Assessment Act 1990* is incorporated with this Act and is to be read as one with this Act.

Imposition of tax

4. (1) Tax is imposed in respect of—

- (a) each taxable debit of not less than \$1 made to a taxable account;
- (b) each eligible debit of not less than \$1 made to an exempt account; and
- (c) each eligible debit of not less than \$1 made to an account kept outside Western Australia if—

- (i) at the time when the debit is made, the person in whose name, or either or any of the persons in whose names, the account is kept is a resident of Western Australia; and

- (ii) it would be concluded that the account was used in connection with the transaction that resulted in the debit for the purpose, or for purposes that included the purpose, of enabling—

- (A) the person in whose name, or either or any of the persons in whose names, the account is kept; or

- (B) any other person,

to avoid liability for payment of the tax that would have been imposed if the debit that resulted from that transaction had been made to an account kept in Western Australia.

(2) A reference in this section to a debit made to an account kept outside Western Australia includes a reference to a debit made to an account (in this subsection called a “non-bank account”) kept outside Western Australia with a building society, credit union or similar body (including an account kept by way of withdrawable share capital in, or money deposited with, the body) if—

- (a) another account is kept with a bank in the name of the body; and
- (b) the non-bank account has characteristics such that a cheque may be drawn on the bank by the body and, at a time when it is incomplete, be delivered by the body to a customer under an agreement under which—
 - (i) the customer is authorized to fill up the cheque; and
 - (ii) the body is authorized, for the purposes of making a payment to the bank to enable the bank to honour the cheque, to debit the non-bank account.

(3) The conclusion referred to in subsection (1) (c) (ii) may not be drawn if, under a law of the place where the account is kept, the person concerned would be liable, in relation to the use of the account, to pay tax of a similar kind to the tax imposed by this section.

Amount of tax

5. The amount of tax in respect of a taxable debit or eligible debit is the amount set out in Column 2 of Schedule 1 opposite to the reference in Column 1 of Schedule 1 to the range of amounts within which the amount of that debit is included.

SCHEDULE 1

(Section 5)

AMOUNT OF TAX

Column 1	Column 2
Range of amounts of taxable debits or eligible debits	Amount of tax
Not less than \$1 but less than \$100	15 cents
Not less than \$100 but less than \$500	35 cents
Not less than \$500 but less than \$5 000	75 cents
Not less than \$5 000 but less than \$10 000	\$1.50
\$10 000 or more	\$2.00