

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Debits Tax

Circular No. 58

(formerly Debits Tax Circular No.1)

DEBITS TAX ACT,1990

Debits Tax in South Australia is a tax on all taxable or eligible debits of \$1 or more to South Australian bank accounts on which a cheque may be drawn. It is also imposed on eligible debits to such accounts kept outside South Australia where the person in whose name the account is held is a resident of South Australia and the account is maintained for the purpose of avoiding South Australian debits tax.

Administration

The Commonwealth Government formally imposed the tax in April 1983 and transferred responsibility to the States and territories (except the ACT) on 1 January, 1991.

Collection Arrangements

Provision has been made for the Commonwealth Government to continue to collect that tax on behalf of the States until a date (yet to be determined) is set for the States to take over the administration of the legislation. Financial institutions will continue to pay the Australian Taxation Office their duty on a monthly basis until other arrangements are made by the States. The Australian Taxation office in turn remit the collections to the States.

Calculation of Debits Tax

The tax payable is calculated as follows:

Amount of Debit	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

Refunding Arrangements

There will be instances where financial institutions will be seeking credits on Debits Tax returns from January, 1991 onwards for refunds of the tax collected on behalf of the Commonwealth.

It has been previously agreed that financial institutions would be able to seek credits for refunds paid up to and including 30 June, 1991 on Debits Tax returns up to and including June, 1991. For refunds from 1 July, 1991 the financial institutions will only be able to seek credits on Debits Tax returns for refunds paid on debits incurred after 1 January, 1991. For refunds prior to this date the taxpayers will have to make applications direct to the Australian Taxation office.

Enquiries

In light of the Commonwealth Government continuing to collect the tax on behalf of the States all enquiries should be made direct to the Debits Tax Clerk, Australian Taxation Office on telephone number (08) 237 1218.

10 September, 1991

COMMISSIONER OF STAMPS

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