

SOUTH AUSTRALIA



RevenueSA

Financial Institutions Duty

Circular No. 202

**NON-DUTIABLE RECEIPTS
RECEIPTS OF BONUSES FOR OLDER AUSTRALIANS AND
FAMILY ASSISTANCE PAID UNDER A NEW TAX SYSTEM**

The *Financial Institutions Duty Regulations 1998* have been amended, effective from 1 July 2000, to exempt from financial institutions duty ("FID") receipts of Bonuses for Older Australians and Family Assistance made under the new Commonwealth Tax System.

Prior to 1 July 2000, pensions and benefits – including family payments – paid under the *Social Security Act 1991* (Cth) and *Veterans' Entitlements Act 1986* (Cth) have been exempt from FID.

The Federal Government, under its new tax package, is providing expanded Family Assistance benefits, as well as offering an Aged Pensions Savings Bonus and a Self-Funded Retirees Supplementary Bonus.

As the savings bonuses and payments for families will be paid under New Tax System Acts and not under the *Social Security Act* or the *Veterans' Entitlements Act*, the existing exemption contained in the Regulations under the *Financial Institutions Duty Act 1983* was not adequate to provide relief from FID for pensioners and recipients of family assistance.

Accordingly, the *Financial Institutions Duty Regulations 1998* have been amended, effective from 1 July 2000, to exempt from FID receipts of money resulting from a direct credit made under *A New Tax System (Bonuses For Older Australians) Act 1999* (Cth) or *A New Tax System (Family Assistance) Act 1999* (Cth).

Payments made under the *Social Security Act* or the *Veterans' Entitlements Act* remain exempt from FID.

In line with the National Tax Reform process, FID will be abolished from 1 July 2001.

FURTHER INFORMATION

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COMMISSIONER OF STATE TAXATION

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