



Australian Government



Australian
Charities and
Not-for-profits
Commission

6 June 2014

Our ref: EXT2014/78

Jesse Murphy
Law Design Practice
The Treasury
Langton Crescent
PARKES ACT 2600

By email: MiscTaxAmends@treasury.gov.au

Dear Mr Murphy,

Miscellaneous amendments to the taxation laws

The Australian Charities and Not-for-profits Commission (**ACNC**) is pleased to provide our comments on the exposure draft on miscellaneous amendments to the taxation laws.

Our comments focus on the changes discussed in paragraphs 1.19 -1.35 of the Explanatory Material: *Correct error in the new special conditions for deductible gift recipients as a result of the introduction of the ACNC.*

Background

The ACNC welcomes the amendments that propose to remedy the unintended consequences that arose due to earlier amendments made to Division 30 of the *Income Tax Assessment Act (ITAA) 1997* (Cth).¹

The earlier amendments have required harm prevention charities to register their public fund as a charity with the ACNC in order to be eligible for deductible gift recipient (**DGR**) status. This is notwithstanding the fact that, in almost all instances, the primary organisation operating the fund is already a registered charity.

As a result of registering both the primary organisation and the fund with the ACNC, the affected organisations face duplicate reporting requirements. This is undesirable and not consistent with the ACNC's objective of reducing red tape.

Our comments

Table item 4.1.1 in the table in subsection 30-45(1) ITAA 1997

The proposed amendment to table item 4.1.4 will have the effect that those HPCs whose public fund is operated by a registered charity will not need to separately register their public fund as a charity. Registration of the primary organisation will be sufficient to meet DGR eligibility requirements.

¹ Brought about through *The ACNC (Consequential and Transitional) Act 2012* (Cth).



The ACNC is satisfied that these changes will remedy the unintended consequences of earlier amendments and are therefore welcomed.

Yours sincerely

A handwritten signature in black ink that reads "Susan Pascoe". The signature is written in a cursive, flowing style.

**Susan Pascoe AM
Commissioner**

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