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TREASURY EXECUTIVE MINUTE

Minute No.

30 April 2010

Treasurer

RESOURCE SUPER PROFITS TAX (RSPT)

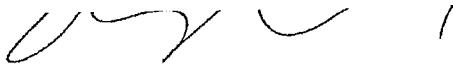
Timing: Prior to the announcement of the RSPT on Sunday 2 May 2010

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- Key technical issues for consultation include:
 - How to calculate the RSPT profit, including the RSPT taxing point and identifying eligible deductible expenditure in a way that minimises compliance costs while maintaining the integrity of the RSPT;
 - Determining a reasonable basis for transferability and refundability of losses to resource firms and how the government guarantee can be locked in;
 - How to smooth the transition of existing resource projects into the RSPT, such as the valuation methodology to be used for an existing project on being brought into the RSPT regime; and
 - The design of compliance and administration rules, such as collection, recovery and record keeping requirements.

Constitutional issues

- The RSPT is supported by the Constitution's taxation power as it is a tax on profits made from extracted resources.
 - Resources cease to be the property of the State once they are extracted from the ground allowing for the levying of an RSPT on the resource profits made by the miner.
- In its general design, the RSPT would not discriminate between States or parts of States.
 - Refunding of State and Territory royalties would be constitutional as long it is done on a uniform basis across all States and Territories.

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