

FOR PRESS:

P. M. No. 100/1970

STATEMENT BY THE PRIME MINISTER ON RECEIPTS DUTIES

Discussions this afternoon centred upon the arrangements to be applied regarding receipts tax during the four years after 1970/71.

It was agreed that the total amount which would have been collected by each State on transactions in 1970/71 would be accepted as the base figure for collections in future years for that State. This figure is to be the subject of discussion with each State.

It was also accepted that the figure arrived at for each State, as a base, would be escalated in the remaining four years of the present financial assistance arrangements in accordance with the formula applied to tax reimbursement grants at the June Premiers' Conference.

The States agreed to meet together to seek some common field within the area covered by the receipts duty in which they could commonly impose a tax, such taxation revenue to be an offset against the Commonwealth liability for payment to the States.

It was agreed that if a common field of such taxation could not be discovered the States would try to work out, each one, a field in which tax could be imposed.

These arrangements were made subject to the proviso on the part of the Commonwealth that they depended on the conditions governing the offers of the Commonwealth made at the June Premiers' Conference.

Liability for receipts duty of all kinds, as at present levied, ceased on transactions after 30 September.

CANBERRA

8 October 1970