

GOODS AND SERVICES TAX (AMENDMENT NO. 2) BILL 2012

EXPLANATORY MEMORANDUM

The purpose of this Bill is to increase the penalty for failure to pay GST that is payable at the time a return is lodged under section 12 of the Act. At present the penalty is 5 penalty units, a penalty that appears not a sufficient deterrent to non-payment. Accordingly it is proposed that the penalty be increased to 25 penalty units for a natural person and 50 penalty units for a company. This brings the penalty in line with that in section 10(2)

In addition, while the provisions of section 12 require the GST payment to be made at the time of lodging the return, in order to make the position quite clear it is proposed to state that the offence under that section is a strict liability offence in order to make it clear that there is no excuse for non-payment. The requirement that a prosecution cannot be commenced until the person is 28 days in arrears of payment does not provide any excuse for non-payment or imply that any time for payment is allowed by the section.

16 October 2012