



## **SUBSTANTIVE ENACTMENT OF RESOURCE RENT TAX BILLS**

### **Issue**

At its December 2011 meeting, the AASB considered the issue of when it would be appropriate to conclude that substantive enactment of the proposed *Minerals Resource Rent Tax Bill 2011* and *Petroleum Resource Rent Tax Assessment Amendment Bill 2011* (the 'resource rent tax Bills') has occurred. The resource rent tax Bills passed the House of Representatives on 23 November 2011.

### **Reasons for Not Adding the Issue to the AASB's Agenda**

The AASB considered the issue of substantive enactment of the resource rent tax Bills, particularly as the legislation had passed the House of Representatives, but not the Senate.

In considering this issue, the Board noted that AASB Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia* requires that substantive enactment of a tax Bill shall be taken to have occurred once the Bill has been tabled in Parliament and there is majority support for the passage of the Bill through both Houses of Parliament.

The Board observed that the assessment of whether there is majority support for the passage of a Bill through both Houses of Parliament requires the application of judgement. It did not wish to override that requirement by introducing any arbitrary approach.

The Board thinks that existing guidance in Australian Accounting Standards and Interpretations is sufficient to address the issue of when substantive enactment has occurred, and the Board does not expect that significantly divergent interpretations would arise in practice. Consequently, the AASB decided not to add this issue to its work program.

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