



Levies Revenue Service

INFORMATION ON COTTON LEVY

WHY IS THERE A LEVY ON COTTON?

A levy is payable on Cotton to provide funding for research and development programs administered by the Cotton Research and Development Corporation (CRDC) and plant health programs via Plant Health Australia (PHA). The Levies Revenue Service (LRS) receives these funds and forwards them to CRDC and PHA, in addition to distributing the Australian Government's matching research and development (R&D) contributions. Levies and export charges are introduced and administered by the Australian Government at the request of Industry.

WHAT IS THE LEVY PAYABLE ON?

Levy is payable on Cotton produced in Australia.

WHO PAYS THE LEVY AND WHO SUBMITS RETURNS?

The producer (the person who owns the Cotton immediately after harvesting) is liable to pay the levy.

Where a producer sells their produce via an intermediary, such as a processor or receiver; the intermediary is liable to pay levy on behalf of the producer. The intermediary must forward the levy to LRS along with return forms which are available from all LRS offices or by accessing the LRS website at www.daff.gov.au/levies. The intermediary can recover the amount of levy paid from the producer, by offset or otherwise.

WHAT IS THE RATE OF LEVY ON COTTON?

The levy rate is calculated as follows:

Cotton	\$2.25 per 227kilogram bale
--------	-----------------------------

Note: Levy Rates are current as at 1 January 2006.

ARE THERE ANY EXEMPTIONS ASSOCIATED WITH THIS LEVY?

There are currently no exemptions associated with this levy.

WHEN IS LEVY/CHARGE DUE FOR PAYMENT?

Monthly Return:

The return together with payment is due within 28 days after the end of the month in which the cotton was processed or, if unprocessed, 28 days after the end of the month in which the cotton was received, other than for storage. For example, the return and payment for the month of July is due on or before 28th August.

GENERAL INFORMATION AND DEFINITIONS

The rate of levy is calculated on a per 227kilogram bale basis.

A levy year for Cotton is the same as a financial year (i.e. 1 July to 30 June).

WHAT RECORDS MUST BE KEPT, WHO SHOULD KEEP THEM & FOR HOW LONG?

People who lodge returns to LRS and people who pay levy/charge to intermediaries are required to keep records supporting the information supplied in returns or information relating to payments made to intermediaries. These records are to be kept for a period of five (5) years and are to be made available to LRS officers.

For further information or clarification on what records must be kept, who should keep them and for how long please contact your nearest LRS office.

ARE THERE ANY PENALTIES FOR LATE PAYMENTS OR OTHER OFFENCES?

Where levy is paid late, penalty will be payable at the rate of 2% per month compounding on the sum of the unpaid amounts, including penalties already accrued, until the outstanding levy has been paid in full.

Penalties are also imposed for other breaches of the legislation.

For more information please contact your nearest LRS office.

Caution: Giving false or misleading information is a serious offence.

DOES GST APPLY TO AUSTRALIAN GOVERNMENT LEVIES/CHARGES?

No. Australian Government levies administered by the LRS are exclusive of the GST (Goods and Services Tax). The levy/charge is a separate calculation, exclusive of GST consideration.

For further information on tax reform, contact the Australian Taxation Office on 132 478 or visit their website at: www.ato.gov.au .

WHERE DO I LODGE MY RETURN?

Send your completed returns and payments to:

The Secretary
Levies Revenue Service
Department of Agriculture, Fisheries and Forestry
Locked Bag 4488
KINGSTON ACT 2604

If you would like to receive information and reminder notices electronically in the future from LRS, please ensure that you have included your business email address on your return form.

*Where payment of levy is made by EFT, please fax your return to (02) 6272 5695. If you would like to make a payment by EFT, please call (free call) 1800 020 619 for more information. (Please note that calls to this number **may** incur charges if made from mobile or pay phones.)*

WHAT IS THE LEVIES REVENUE SERVICE?

The Levies Revenue Service (LRS) is an organisation within the Australian Government Department of Agriculture, Fisheries and Forestry. LRS is responsible for both the collection and distribution of levies to the relevant Research and Development Corporations, Marketing Agencies, Animal Health Australia, Plant Health Australia and the National Residue Survey. LRS is also responsible for the distribution of the Australian Government's matching research and development contributions.

LRS collects over 60 different levies and charges from a client base of over 10,000 levy payers.

For more information about LRS, please visit our website at www.daff.gov.au/levies .

WHAT IS THE COTTON RESEARCH AND DEVELOPMENT CORPORATION AND PLANT HEALTH AUSTRALIA?

The Cotton Research and Development Corporation (CRDC) aims to create a more sustainable, competitive and profitable cotton industry providing increased economic, environmental and social benefits to rural and regional communities and the nation. It will achieve this by: improving production, processing, storage, transport and marketing of cotton; making more effective use of the resources and skills of the community in general and the scientific community in particular; and improving accountability for expenditure on research and development activities in relation to the cotton industry.

For more information on CRDC you can visit their website at: www.crdc.com.au .

Plant Health Australia (PHA) is a peak body responsible for working with its members to manage projects and coordinate development of national plant health policy and capability in Australia. PHA was formed in recognition that, in global terms, Australia is fortunate to experience a relative freedom from pests, weeds and diseases that can affect plant industries. PHA are working to develop a shared vision and communicate an understanding of a more coordinated and effective plant health management system. For more information on PHA you can visit their website: www.planthealthaustralia.com.au .

WHAT LEGISLATION IS ASSOCIATED WITH THIS LEVY/CHARGE?

The levy is imposed and collected under the following legislation:

Primary Industries (Excise) Levies Act 1999
Primary Industries Levies and Charges Collection Act 1991
 and associated legislation















Please be advised that under section 27 of the *Primary Industries Levies and Charges Collection Act 1991* (PILCC Act 1991) an authorised person is able to release the names and addresses of levy payers to industry bodies and recipient organisations.

Copies of the legislation may be obtained via the Internet at www.comlaw.gov.au or purchased from Canprint Information Services by phoning 1300 656 863.

This information sheet is a guide only and does not substitute for the relevant legislation.

WHO CAN I CONTACT ABOUT LEVIES?

For more information please contact the LRS office in your State. For those in South Australia, the Northern Territory or Tasmania please contact the Adelaide office.

<p>Canberra – Central Office</p> <p> Telephone 1800 020 619</p> <p> Fax 02 6272 5695</p>	<p>Melbourne</p> <p> Telephone 1800 683 839</p> <p> Fax 03 9322 5500</p>
<p>Adelaide (SA, NT & TAS)</p> <p> Telephone 1800 814 961</p> <p> Fax 08 8201 6099</p>	<p>Perth</p> <p> Telephone 1800 895 506</p> <p> Fax 08 9334 1677</p>
<p>Brisbane</p> <p> Telephone 1800 647 801</p> <p> Fax 07 3831 4324</p>	<p>Sydney</p> <p> Telephone 1800 625 103</p> <p> Fax 02 9325 6677</p>
<p> E-mail us at: Levies.Management@daff.gov.au</p>	<p> Visit our Web site: www.daff.gov.au/levies</p>