

FACT SHEET

PARTNERSHIP AMENDMENT BILL 2009

- This Bill amends the Partnership Act 1891 and repeals the Limited Partnerships Act 1908 to update partnerships law in Tasmania, facilitate the incorporation of recent changes to Commonwealth and ensure uniformity with interstate partnerships law.
- In 2002, the Commonwealth parliament enacted the Venture Capital Act 2002, which was aimed at attracting venture capital to Australia. The Income Tax Assessment Act 1936 of the Commonwealth was also amended to allow these entities to be taxed as flow-through vehicles (that is, tax exempt) in accordance with internationally recognised best practice for the treatment of venture capital.
- The Commonwealth has more recently granted tax relief for another form of venture capital fund that invests in small businesses—the early stage venture capital limited partnership (ESVCLP).
- Partnerships in Tasmania are not able to take advantage of these types of investment vehicle without these changes to the Partnership Act 1891.
- In addition to facilitating access to the changes in the Commonwealth's preferential tax treatment, these amendments streamline Tasmanian partnerships legislation by combining two current Acts into one updated Act, in a manner consistent with partnerships legislation in other States.