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**PAY-ROLL TAX AMENDMENT ACT 1988**

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**No. 50 of 1988**

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## PAY-ROLL TAX AMENDMENT ACT 1988

No. 50 of 1988

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**AN ACT to amend the Pay-roll Tax Act 1971.**

**[Royal Assent 8 December 1988]**

**B**E it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

1—This Act may be cited as the *Pay-roll Tax Amendment Act 1988*. Short title.

2—(1) Except as provided in subsection (2), this Act shall be deemed to have commenced on 1st July 1988. Commencement.

(2) Sections 4, 5, 6, 7, and 10 shall commence on 1st January 1989.

3—In this Act, the *Pay-roll Tax Act 1971*\* is referred to as the Principal Act. Principal Act.

4—Section 2 (1) of the Principal Act is amended by inserting “or in relation to” in the definition of “wages” before “an employee”. Amendment of section 2 of Principal Act (Interpretation).

\* No. 43 of 1971. For this Act, as amended to 1st October 1977, see the continuing Reprint of Statutes. Subsequently amended by No. 78 of 1977, No. 91 of 1980, No. 64 of 1981, Nos. 9, 45, and 99 of 1982, No. 57 of 1983, Nos. 29 and 79 of 1984, and No. 96 of 1985.

Amendment of  
section 4 of  
Principal Act  
(Commissioner of  
Pay-roll Tax).

**5**—Section 4 of the Principal Act is amended by inserting the following subsection after subsection (1):—

(1A) The Commissioner is authorized to perform the functions of a State taxation officer under Part IIIA of the *Taxation Administration Act 1953* of the Commonwealth.

Substitution of  
section 7 of  
Principal Act.

**6**—Section 7 of the Principal Act is repealed and the following section is substituted:—

Imposition of  
pay-roll tax.

7—(1) Subject to, and in accordance with the provisions of, this Act, there shall be charged, levied, collected, and paid for and towards the Consolidated Fund, in respect of all taxable wages, pay-roll tax at the appropriate rate prescribed by this section.

(2) Where the Australian wages paid or payable by an employer for a month after December 1988—

(a) are more than \$41 667 but less than \$416 667, the rate of pay-roll tax payable for that month in respect of the taxable wages included in those Australian wages is 5 per cent;

(b) are at least \$416 667 but less than \$625 000, the rate of pay-roll tax payable for that month in respect of the taxable wages included in those Australian wages is 6 per cent; or

(c) are \$625 000 or more, the rate of pay-roll tax payable for that month in respect of the taxable wages included in those Australian wages is 7 per cent.

(3) Except as otherwise provided in this Act, all taxes paid, and penalties recovered under, this Act shall be paid into the Consolidated Fund.

(4) The Treasurer may pay out of any payments under this Act for the time being not paid into the Consolidated Fund any sums authorized under this Act to be paid by way of refund.

Amendment of  
section 9 of  
Principal Act  
(Deduction for  
small businesses).

**7**—Section 9 (3) (a) of the Principal Act is amended by omitting “\$25 000” and substituting “\$41 666.67”.

**8**—Section 11 of the Principal Act is amended by omitting paragraphs (a), (b), and (c) of subsection (4) and substituting the following paragraphs:—

Amendment of section 11 of Principal Act (Refund or rebate of pay-roll tax on annual adjustment).

- (a) for the part of the financial year commencing on 1st July 1988 and ending on 31st December 1988, \$150 000;
- (b) for the part of the financial year commencing on 1st January 1989 and ending on 30th June 1989, \$250 000; and
- (c) for a financial year commencing on or after 1st July 1989, \$500 000.

**9**—Section 11A of the Principal Act is repealed and the following section is substituted:—

Substitution of section 11A of Principal Act.

11A—(1) Subject to section 9A, where taxable wages are paid or payable by an employer during a financial year, the Commissioner shall calculate the annual amount of pay-roll tax payable by the employer for that financial year.

Annual adjustments.

(2) For the purposes of subsection (1), “annual amount of pay-roll tax”, for the financial year commencing on 1st July 1988, means the amount obtained by adding together—

- (a) an amount in respect of the period commencing on 1st July 1988 and ending on 31st December 1988, being—
  - (i) in the case of adjusted Australian wages for that period that are more than \$150 000 but less than \$2 500 000—the amount ascertained by applying the rate of 5 per cent to the difference between the total of the taxable wages paid or payable by the employer during that period and the prescribed amount; or
  - (ii) in the case of adjusted Australian wages for that period that are \$2 500 000 or more—the amount ascertained by deducting the reduction amount A from the result of applying the rate of 6 per cent to the total of the taxable wages paid or payable by the employer during that period; and

(b) an amount in respect of the period commencing on 1st January 1989 and ending on 30th June 1989, being—

(i) in the case of adjusted Australian wages for that period that are more than \$250 000 but less than \$2 500 000—the amount ascertained by applying the rate of 5 per cent to the difference between the total of the taxable wages paid or payable by the employer during that period and the prescribed amount;

(ii) in the case of adjusted Australian wages for that period that are at least \$2 500 000 but less than \$3 750 000—the amount ascertained by deducting the reduction amount B from the result of applying the rate of 6 per cent to the total of the taxable wages paid or payable by the employer during that period; or

(iii) in the case of adjusted Australian wages for that period that are \$3 750 000 or more—the amount ascertained by deducting the reduction amount C from the result of applying the rate of 7 per cent to the total of the taxable wages paid or payable by the employer during that period.

(3) For the purposes of subsection (1), “annual amount of pay-roll tax”, for a financial year commencing on or after 1st July 1989, means—

(a) in the case of adjusted Australian wages for that year that are more than \$500 000 but less than \$5 000 000—the amount ascertained by applying the rate of 5 per cent to the difference between the total of the taxable wages paid or payable by the employer during that financial year and the prescribed amount;

(b) in the case of adjusted Australian wages for that year that are at least \$5 000 000 but less than \$7 500 000—the amount ascertained by deducting the reduction amount D from the result of applying the rate of 6 per cent to the total of the taxable wages paid or payable by the employer during that financial year; or

(c) in the case of adjusted Australian wages for that year that are \$7 500 000 or more—the amount ascertained by deducting the reduction amount E from the result of applying the rate of 7 per cent to the total of the taxable wages paid or payable by the employer during that financial year.

(4) Subject to section 9A, where taxable wages are paid or payable by an employer during a financial year—

(a) the Commissioner shall, on application made by that employer, where the amount of pay-roll tax paid or payable by that employer when he furnishes the returns relating to that financial year is greater than the annual amount of pay-roll tax payable by that employer for that financial year, refund or rebate to that employer an amount equal to the difference between those amounts, reduced by any amount previously refunded or rebated to him in respect of that financial year; or

(b) that employer shall, where the amount of pay-roll tax paid or payable by that employer when he furnishes the returns relating to that financial year is less than the annual amount of pay-roll tax payable by that employer for that financial year, pay to the Commissioner as pay-roll tax, within the time during which he is required to furnish a return under this Act in respect of the period that is, or includes, the month of June in that financial year, an amount equal to the difference between those amounts.

(5) In this section—

“adjusted Australian wages” means—

(a) in respect of the period commencing on 1st July 1988 and ending on 31st December 1988—the Australian wages paid or payable by an employer during that period, multiplied by  $\frac{184}{D}$ ;

(b) in respect of the period commencing on 1st January 1989 and ending on 30th June 1989—the Australian wages paid or payable by an employer during that period, multiplied by  $\frac{181}{D}$ ; or

(c) in respect of a financial year commencing on or after 1st July 1989—the Australian wages paid or payable by an employer during that financial year, multiplied by  $\frac{365}{D}$ ,

where “D” is the number of days on which the employer was an employer during the relevant period or financial year;

“prescribed amount” means the amount prescribed by section 11 (4) in respect of the relevant period or financial year;

“reduction amount A” means the amount calculated in accordance with the following formula:—

$$\frac{T}{A} \left\{ 25\,000 \times \frac{D}{184} - \frac{1}{5} \left( A - 2\,500\,000 \times \frac{D}{184} \right) \right\};$$

“reduction amount B” means the amount calculated in accordance with the following formula:—

$$\frac{T}{A} \left\{ 25\,000 \times \frac{D}{181} - \frac{1}{5} \left( A - 2\,500\,000 \times \frac{D}{181} \right) \right\};$$

“reduction amount C” means the amount calculated in accordance with the following formula:—

$$\frac{T}{A} \left\{ 37\,500 \times \frac{D}{181} - \frac{1}{5} \left( A - 3\,750\,000 \times \frac{D}{181} \right) \right\};$$

“reduction amount D” means the amount calculated in accordance with the following formula:—

$$\frac{T}{A} \left\{ 50\,000 \times \frac{D}{365} - \frac{1}{5} \left( A - 5\,000\,000 \times \frac{D}{365} \right) \right\};$$

“reduction amount E” means the amount calculated in accordance with the following formula:—

$$\frac{T}{A} \left\{ 75\,000 \times \frac{D}{365} - \frac{1}{5} \left( A - 7\,500\,000 \times \frac{D}{365} \right) \right\}.$$

(6) For the purposes of the formula used in a definition in subsection (5)—

“T” is the taxable wages for the relevant period or financial year;

“A” is the Australian wages for the relevant period or financial year; and

“D” is the number of days in the relevant period or financial year during which the employer was an employer.



**10**—Section 12 (1) of the Principal Act is amended by omitting “\$5 769” and substituting “\$9 615”.

Amendment of  
section 12 of  
Principal Act  
(Registration).

