

TASMANIA



PAY-ROLL TAX (SUPPLEMENTAL PROVISIONS)

 No. 89 of 1977

ANALYSIS

1. Short title, citation, and commencement.
2. Reduction in tax payable.

AN ACT to amend the Pay-roll Tax (Supplemental Provisions) Act 1976.

[17 November 1977]

BE 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—(1) This Act may be cited as the *Pay-roll Tax (Supplemental Provisions) Act 1977*.

Short title,
citation, and
commencement.

(2) The *Pay-roll Tax (Supplemental Provisions) Act 1976** is in this Act referred to as the Principal Act.

* No. 110 of 1976.

(3) This Act applies to any return period (within the meaning of the *Pay-roll Tax Act 1971*) commencing on or after 1st January 1978.

2 Section 4 of the Principal Act is repealed and the following section substituted:—

Reduction in
tax payable.

“ 4—(1) A group or a single employer, not being a member of a group, is entitled to a reduction of the amount of the tax payable by that group or that employer in respect of any return period if the average number of full-time employees employed by the members of that group or that employer during that period (in this section referred to as the ‘current employees’) exceeds the total number of full-time employees employed on 26th October 1976 (in this section referred to as the ‘original employees’) by, as the case may be, the members of that group and their predecessors or by that employer and his predecessors.

“(2) For the purposes of this section, where the business of an employer is acquired by, transferred to, or incorporated in, the business of another employer the employer first-mentioned and his predecessors shall be deemed to be predecessors of the employer second-mentioned.

“(3) The amount of the reduction referred to in subsection (1) shall be calculated in accordance with such of the following formulae as is appropriate in the circumstances, that is to say:—

(a) Where the group or the employer does not qualify for a small business deduction—

$$P = \frac{A - B}{A} \times C;$$

(b) Where the group or single employer does qualify for a small business deduction—

$$P = \frac{A - B}{A} \times C \times 1\frac{2}{3},$$

where—

- (i) P is the amount of the reduction;
- (ii) A is the number of the current employees;
- (iii) B is the number of the original employees; and

- (iv) C is the sum calculated by applying the rate of tax set forth in section 7 (1) of the Principal Act to the amount of taxable wages paid by the employer in respect of that period.

“(4) Where the Commissioner is satisfied that, in any particular case, the application of the formula referred to in subsection (3) has not had the desired effect of relieving an employer from additional tax arising from an increase in the number of employees since 26th October 1976, he may, in his absolute discretion, vary the amount of tax payable where, in his opinion, the amount of tax payable ought to be varied.

“(5) Where the Commissioner is of opinion that any member or members of a group carry on business that may reasonably be regarded as separate from the business carried on by the remainder of the members of the group, he may direct that for the purposes of this Act that member shall not be regarded as a member of that group or that those members shall be regarded as a group separate from the remaining members of the group, and this Act applies in relation to the members of the group accordingly.

“(6) Where under this section an entitlement arises to the reduction of the amount of tax payable by a group the reduction shall be made in such manner as the members of the group may agree and notify to the Commissioner, or failing such notification, in such manner as the Commissioner may determine.

“(7) For the purposes of this section—

‘group’ and ‘member of group’ have the same meanings as they have for the purposes of section 9A of the *Pay-roll Tax Act* 1971;

‘small business deduction’ means a deduction that may be allowable to an employer as provided by section 9 of the *Pay-roll Tax Act* 1971.”.

