

REVENUE LAWS AMENDMENT BILL 1995

EXPLANATORY NOTES

GENERAL OUTLINE

Objectives of the Legislation

The objectives of the Bill are

- (a) to increase the land tax exemption threshold for companies and trusts by 50% to \$60 000;
- (b) to increase the pay-roll tax exemption threshold from \$700 000 to \$750 000 in two stages—the first increase of \$25 000 becoming effective from 1 July 1995, and the second increase of \$25 000 becoming effective from 1 July 1996;
- (c) to halve the rate of Queensland stamp duty applying to trading and transfers of marketable securities listed on the Australian Stock Exchange; and
- (d) to increase the rental duty exemption threshold from \$10 000 to \$100 000.

Reasons for the Bill

As announced in the From Strength to Strength economic statement and provided in the 1995/96 State Budget, the Bill provides for a major tax relief package worth over \$40 million over the next three years.

Estimated Cost for Government Implementation

The costs of the measures are estimated to be at least \$40 million over three years.

NOTES ON PROVISIONS

Clause 1 cites the short title of this Act.

Clause 2 provides for the commencement of certain provisions on 29 June 1995 and the remaining provisions on 1 July 1995.

Clause 3 provides for amendment to the *Land Tax Act 1915*.

Clause 4 amends the land tax exemption entitlement for companies and trustees by increasing it from \$40 000 to \$60 000.

Clause 5 raises the threshold at which a company or a trustee is required to lodge a land tax return, unless otherwise advised by the Commissioner, from \$40 000 to \$60 000.

Clause 6 provides for amendment to the *Pay-roll Tax Act 1971*.

Clause 7 amends the amounts used in calculating the maximum deduction per month to which an employer, who is not a member of a group, may be entitled when lodging a pay-roll tax return monthly or at other periods. This increases the maximum monthly deduction from \$58 333 to \$60 417 from 1 July 1995 and to \$62 500 from 1 July 1996.

Clause 8 amends the amounts used in calculating the annual exemption entitlement of an employer, who is not a member of a group, for the financial years ending on 30 June 1996 and 30 June 1997, and thereafter. This increases the maximum annual exemption entitlements from \$700 000 to \$725 000 for 1995/96 and to \$750 000 for 1996/97 and onwards.

Clause 9 amends the weekly wage levels at which an employer is liable to register with the Commissioner for the purpose of accounting for pay-roll tax from \$13 462 to \$13 942 from 1 July 1995 and to \$14 423 from 1 July 1996.

Clause 10 amends the amounts used in calculating the annual exemption entitlements that may be claimed by the designated member of a group of employers for the financial years ending 30 June 1996 and 30 June 1997, and thereafter. These new entitlements are the same as provided for employers in clause 8.

Clause 11 provides for amendment to the *Stamp Act 1894*.

Clause 12 amends the rate of stamp duty payable by a broker on a sale or purchase of a listed marketable security or right in respect of shares from 30 cents for each \$100, or part of \$100, of the sale price or the purchase price,

to 15 cents for each \$100, or part of \$100, of the sale price or the purchase price.

Clause 13 effectively increases the rental duty exemption threshold from \$10 000 to \$100 000.

Clause 14 amends the rate of stamp duty for an off-market transfer of a stock, marketable security or right in respect of shares which is listed on the Australian Stock Exchange from \$0.60 to \$0.30 for every \$100 (or part of \$100) of the consideration or full unencumbered value. The clause also retains the existing rate of stamp duty for transfers of unlisted stock, marketable securities or rights in respect of shares.