

Revenue Legislation Amendment Bill 2010

Explanatory Notes

Short Title

The short title of the Bill is the *Revenue Legislation Amendment Bill 2010*.

General Outline

The Bill amends the following Queensland revenue statutes -

- First Home Owner Grant Act 2000
- Land Tax Act 2010
- Payroll Tax Act 1971

Policy Objectives

To amend the *First Home Owner Grant Act 2000*, *Land Tax Act 2010* and *Payroll Tax Act 1971* to implement 2010-11 State Budget Measures.

Reasons for the Bill

The Bill implements revenue measures announced in the 2010-11 State Budget namely the introduction of an additional First Home Owner Grant for first home owners who purchase or build new homes in regional Queensland, the extension of the 25 per cent payroll tax rebate for apprentices and trainees until 30 June 2011 and the introduction of a new land tax exemption for supported accommodation.

Achievement of the Objectives

First Home Owner Grant Act 2000

The *First Home Owner Grant Act 2000* will be amended to implement an additional First Home Owner Grant for regional Queensland announced by the Government on 27 May 2010. First home owners who purchase or build a new home in regional Queensland will receive \$4,000 in addition to the existing \$7,000 grant. The Regional First Home Owner Grant is

available for eligible transactions to purchase or build a new home in regional Queensland that commence on or after 1 June 2010 and before 1 July 2011.

Land Tax Act 2010

As announced in the 2010-11 State Budget, the *Land Tax Act 2010* will be amended to include an exemption for land on which a supported accommodation service is conducted. A supported accommodation service is a residential service accredited at level 3 under the *Residential Services (Accreditation) Act 2002*.

Payroll Tax Act 1971

As announced in the 2010-11 State Budget, the 25 per cent payroll tax rebate on wages paid to apprentices and trainees, which was due to expire on 1 July 2010, is extended until 30 June 2011. The rebate is available in relation to wages paid to trainees and apprentices which are already exempt under the *Payroll Tax Act 1971*. The rebate is payable by allowing the amount of the rebate as an offset against an employer's payroll tax liability. The amount of the rebate is limited to the amount of the employer's liability.

Alternatives to the Bill

The policy objectives can only be achieved by legislative amendments.

Estimated Cost for Government Implementation

Implementation costs in relation to the amendments are not expected to be significant. These costs relate to client education activities, changes to publications, documents, website and systems, staff training and managing any enquiries on the amendments.

Consistency with Fundamental Legislative Principles

This Bill raises a fundamental legislative principle issue in that the Regional First Home Owners Grant (the Regional Grant) has retrospective commencement. The Regional Grant was announced by the Queensland Government on 27 May 2010 to take effect on 1 June 2010. The retrospective commencement is considered appropriate as the amendments are beneficial for home buyers, have been publicly announced and are operating under an administrative arrangement.

Consultation

Consultation on amendments to implement 2010-11 State Budget initiatives was not appropriate.

Notes on Provisions

Part 1 Preliminary

Clause 1 provides that the short title of the Act is the Revenue Legislation Amendment Act 2010.

Clause 2 provides that Part 2 is taken to have commenced on 1 June 2010, Part 3 commences on 30 June 2010 and Part 4 commences on 1 July 2010.

Part 2 Amendment of *First Home Owner Grant Act 2000*

Clause 3 provides that the Act amended in part 2 is the *First Home Owner Grant Act 2000*.

Clause 4 amends the heading of Part 3 Division 5 to refer to regional eligible transactions as well as special eligible transactions.

Clause 5 inserts a new section 25BA defining “regional eligible transaction” and “SEQ region”. It outlines the conditions that must be satisfied for an applicant to be eligible for the Regional First Home Owner Grant. Subsection (2) and (3) are aimed at preventing abuse of the Regional First Home Owner Grant, particularly where parties replace a contract made prior to 1 June 2010 with a contract made on or after 1 June 2010 for substantially the same, or a similar, home.

Clause 6 amends section 25C to insert a new subsection (3) specifying the amount of the grant for a regional eligible transaction. The provision also

ensures that, where the consideration for a regional eligible transaction is less than \$11,000, the amount of the grant for that transaction will be equal to the amount of the consideration for the transaction.

Clause 7 amends the Dictionary in the schedule by inserting a definition of “regional eligible transaction”.

Part 3 **Amendment of Land Tax Act 2010**

Clause 8 provides that the Act amended in part 3 is the *Land Tax Act 2010*.

Clause 9 inserts a new section 51A providing an exemption for land on which a supported accommodation service is provided. Definitions of “residential service” and “supported accommodation service” are provided.

Part 4 **Amendment of Payroll Tax Act 1971**

Clause 10 provides that the Act amended in part 4 is the *Payroll Tax Act 1971*.

Clause 11 amends section 27A to allow the rebate for apprentices and trainees to apply to wages paid or payable during a periodic return period in the financial year ending 30 June 2011 in addition to the year ending 30 June 2010.

Clause 12 amends section 35A to allow the rebate for apprentices and trainees to apply to wages paid or payable during the financial year ending 30 June 2011 in addition to the year ending 30 June 2010.

Clause 13 amends section 43A to allow the rebate for apprentices and trainees to apply to wages paid or payable during a final period in the financial year ending 30 June 2011 in addition to the year ending 30 June 2010.

Clause 14 amends the definition of “relevant financial year” for an excess rebate in section 49A to include a financial year ending 30 June 2011.

Clause 15 amends the definition of “relevant financial year” in the Dictionary in the schedule to include a reference to the definition in section 49A.

© State of Queensland 2010