



# Payroll Tax Act 1971

Reprinted as in force on 1 December 2009

Reprint No. 5A

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## Queensland

# Payroll Tax Act 1971

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# Payroll Tax Act 1971

[as amended by all amendments that commenced on or before 1 December 2009]

## An Act to impose a tax upon employers in respect of certain wages

### Part 1 Preliminary

#### 1 Short title

This Act may be cited as the *Payroll Tax Act 1971*.

#### 2 Dictionary

The dictionary in the schedule defines particular words used in this Act.

#### 3 Meaning of *superannuation contribution*

- (1) A *superannuation contribution* is a monetary or non-monetary contribution paid or payable by an employer for an employee, or by a company for a director of the company—
- (a) as a superannuation guarantee charge under the Superannuation Guarantee Act; or
  - (b) to a superannuation fund under the *Superannuation Industry (Supervision) Act 1993* (Cwlth); or
  - (c) to another form of superannuation, provident or retirement fund or scheme, including, for example, the following—

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- (i) a superannuation holding accounts reserve under the *Small Superannuation Accounts Act 1995* (Cwlth);
- (ii) a retirement savings account under the *Retirement Savings Accounts Act 1997* (Cwlth);
- (iii) a wholly or partly unfunded fund or scheme.

*Examples of non-monetary contribution—*

- 1 marketable securities
- 2 real property

(2) In this section—

***Superannuation Guarantee Act*** means the *Superannuation Guarantee (Administration) Act 1992* (Cwlth).

***superannuation guarantee charge*** does not include the following—

- (a) an additional superannuation guarantee charge under section 49 or part 7 of the Superannuation Guarantee Act;
- (b) the part of a superannuation guarantee charge equal to a superannuation contribution mentioned in subsection (1)(b) or (c) that is payable, and for which payroll tax has been paid to the commissioner, to the extent the contribution would have resulted in a reduction in the charge percentage under section 23 of the Superannuation Guarantee Act if the contribution had been paid.

***unfunded***, for a superannuation, provident or retirement fund or scheme, means the extent that an amount paid or payable by an employer for an employee, or by a company for a director of the company, covered by the fund or scheme is not paid or payable while the employee is employed by the employer, or the director is appointed as a director of the company.

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### 3A Meaning of *termination payment*

(1) A *termination payment* is—

- (a) any of the following payments made because of the retirement from, or termination of, any office or employment of an employee—
  - (i) an unused annual leave payment under the *Income Tax Assessment Act 1997* (Cwlth), section 83-10;
  - (ii) an unused long service leave payment under the *Income Tax Assessment Act 1997* (Cwlth), section 83-75;
  - (iii) so much of an employment termination payment paid or payable by an employer, whether paid or payable to the employee or to another entity, that would be included in the assessable income of the employee under the *Income Tax Assessment Act 1997* (Cwlth), chapter 2, part 2-40 if the whole employment termination payment had been paid to the employee; or
- (b) a following amount, if the amount would be an employment termination payment had it been paid or payable because of termination of employment—
  - (i) an amount paid or payable by a company because of the termination of the services or office of a director of the company, whether paid or payable to the director or another entity;
  - (ii) an amount paid or payable by a relevant contract employer because of the termination of the supply of the services of an employee under a relevant contract, whether paid or payable to the employee or another entity.

(2) In this section—

*employment termination payment* means—

- (a) an employment termination payment under the *Income Tax Assessment Act 1997* (Cwlth), section 82-130; or

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- (b) a payment that is not an employment termination payment under the *Income Tax Assessment Act 1997* (Cwlth), section 82-130 only because it is received later than 12 months after the termination of a person's employment; or
- (c) a transitional termination payment under the *Income Tax (Transitional Provisions) Act 1997* (Cwlth), section 82-10.

#### **4 Other provisions about meaning of wages—superannuation contributions and GST**

- (1) This section applies for the definition of *wages* in the schedule.

*Note—*

Part 2, divisions 1A to 1D contain other provisions that apply for the definition *wages*.

- (2) For paragraph (g) of the definition, a superannuation contribution paid or payable by an employer for an employee on or after 1 January 2000 is taken to be for the employee's services performed or rendered on or after 1 January 2000.
- (3) However, if the commissioner is satisfied any part of a superannuation contribution mentioned in subsection (2) is for an employee's services performed or rendered before 1 January 2000, the part is not wages.
- (4) Also, for paragraph (g) of the definition—
  - (a) a superannuation contribution paid or payable by an employer to a superannuation, provident or retirement fund or scheme and not attributed by the employer as paid or payable for a particular employee or particular employees is taken to be paid or payable for the employee or employees decided by the commissioner; and
  - (b) a superannuation contribution paid on or after 14 September 1999 and before 1 January 2000 for an employee's services to be performed or rendered on or



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after 1 January 2000 is taken to be paid on 1 January 2000.

(5) For this Act, the amount or value of wages paid or payable to a person must be reduced by the relevant proportion of the amount of any GST paid or payable by the person on the supply to which the wages relate.

(6) In this section—

*relevant proportion*, for GST paid or payable on a supply to which wages relate, means the proportion that the amount or value of the wages bears to the consideration for the supply to which the wages relate.

## 5 Meaning of *change of status*

(1) A *change of status* happens for a person who is an employer if, during a financial year—

(a) the person ceases to be an employer and does not intend to resume being an employer during the remainder of the year or the next financial year; or

*Example for paragraph (a)—*

There is no change of status for a fruit grower who ceases to pay wages after the fruit picking season but intends to resume paying wages later in the financial year or in the next financial year.

(b) for a person who pays, or is liable to pay, taxable wages and who is not a group member—the person becomes a group member; or

(c) for a person who pays, or is liable to pay, wages and is a non-DGE group member—

(i) the person starts paying, or becomes liable to pay, taxable wages other than as a group member; or

(ii) the person becomes the DGE for a group; or

(d) the person ceases to be the DGE for a group; or

(e) an administrator is appointed for the property of the person; or

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(f) the appointment of an administrator for the person's property ceases to have effect.

(2) A change of status happens—

(a) if subsection (1)(a) applies—on the first day the person—

(i) does not pay, and is not liable to pay, wages; and

(ii) does not intend to resume paying wages for the remainder of the year or the next financial year; or

(b) if subsection (1)(b) applies—on the first day the person is a group member; or

(c) if subsection (1)(c)(i) applies—on the first day the person pays, or is liable to pay, taxable wages other than as a group member; or

(d) if subsection (1)(c)(ii) applies—on the first day of the periodic return period in which the person becomes the DGE for the group; or

*Editor's note—*

See also section 75(1) and (2).

(e) if subsection (1)(d) applies—

(i) if all the group members cease to pay, or be liable to pay, wages as members of the group during the relevant periodic return period on or before the day the person ceases to be the DGE for the group—on the first day the person is not the DGE for the group; or

(ii) otherwise—on the first day of the relevant periodic return period; or

*Editor's note—*

See also section 75(3).

(f) if subsection (1)(e) applies—on the day the administrator is appointed; or

(g) if subsection (1)(f) applies—on the day after the appointment ceases to have effect.

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- (3) For subsection (2)(e), the relevant periodic return period is the periodic return period in which the person ceases to be the DGE for the group.

*Note—*

An employer who changes status is required to lodge a final return, and pay payroll tax, for the final period.

## **6 Meaning of *final period***

The *final period*, for a change of status of a person (the *relevant change of status*) happening during a financial year, means the period—

- (a) starting on the latest of the following days in the year—
- (i) 1 July;
  - (ii) the first day on which the person is required to register as an employer under part 3, division 1;
  - (iii) if an earlier change of status has happened for the person during the year—the day of the change of status happening immediately before the relevant change of status; and
- (b) ending on the day before the relevant change of status happens.

*Example—*

An employer who is a group member from 1 July in a financial year ceases to be a group member on 1 September. The final period for the change of status is 1 July to 31 August.

If the employer then ceases to pay, or be liable to pay, wages from 1 June, the final period for the second change of status is 1 September to 31 May.

## **6A Reference to periodic return period or return period**

Despite section 59(1A), a reference in this Act, other than section 59(1), to a periodic return period or return period in relation to an employer is taken to include the last periodic return period of a financial year for the employer.

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## **7 Notes in text**

A note in the text of this Act is part of the Act.

## **8 Relationship of Act with Administration Act**

- (1) This Act does not contain all the provisions about payroll tax.
- (2) The Administration Act contains provisions dealing with, among other things, each of the following—
  - (a) assessments of tax;
  - (b) payments and refunds of tax;
  - (c) imposition of interest and penalty tax;
  - (d) objections and appeals against, or reviews of, assessments of tax;
  - (e) record keeping obligations of taxpayers;
  - (f) investigative powers, offences, legal proceedings and evidentiary matters;
  - (g) service of documents.

*Note—*

Under the Administration Act, section 3, that Act and this Act must be read together as if they together formed a single Act.

# **Part 2 Liability to taxation**

## **Division 1 Imposition of liability**

### **9 Wages liable to payroll tax**

- (1) Subject to section 14, the wages liable to payroll tax under this Act are wages that are paid or payable by an employer after the month of August 1971 (whether in respect of services

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- performed or rendered before, during or after that month), and—
- (a) that are paid or payable in Queensland, other than wages so paid or payable to a person for services performed or rendered—
    - (i) entirely in another State; or
    - (ii) entirely in another country for more than 6 months after wages were first paid to the person for the services; or
  - (b) that are paid or payable elsewhere than in Queensland in respect of services performed or rendered wholly in Queensland.
- (2) For the purposes of subsection (1)(a), wages that are payable to a person by the person's employer, but have not been paid, (not being wages that under the terms of employment are payable in Queensland or in another State) shall be deemed—
- (a) where those wages are payable in respect of services performed or rendered wholly in Queensland—to be wages payable to that person in Queensland; or
  - (b) where those wages are not payable in respect of services performed or rendered wholly in Queensland or wholly in one other State and the wages last paid or payable to that person by that employer were included or are required to be included in a return under this Act—to be wages payable to that person in Queensland; or
  - (c) where those wages are not deemed by paragraph (a) or (b) or by any provision of a corresponding law that corresponds to either of those paragraphs to be wages payable to that person in Queensland or in another State—to be wages payable to that person at the place where that person last performed or rendered any services for that employer before those wages became payable.
- (3) For the purposes of this section, where a cheque, bill of exchange, promissory note, money order or postal order issued by a post office, or any other instrument is sent or

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given by an employer to a person or the person's agent at a place in Australia in payment of wages, those wages shall be deemed to have been paid at that place and to have been paid when the instrument was so sent or given.

## **10 Imposition of payroll tax on taxable wages**

Subject to, and in accordance with, the provisions of this Act, there shall be charged, levied and paid for the use of Her Majesty on all taxable wages payroll tax at the following rate of the wages—

- (a) for wages paid or payable in the financial year ending 30 June 2002—4.8%;
- (b) for wages paid or payable in a later financial year—4.75%.

## **11 When liability for payroll tax arises**

A liability for payroll tax imposed on taxable wages arises on the return date for lodgement by an employer of a return.

## **12 Employer to pay payroll tax**

Payroll tax shall be paid by the employer by whom the taxable wages are paid or payable.

## **13 Value of taxable wages**

- (1) The value of taxable wages that are paid or payable in kind (other than fringe benefits under the Fringe Benefits Assessment Act) is the value under the regulations.
- (2) The employer must give evidence of the value of the taxable wages to the commissioner if asked by the commissioner.
- (3) If the commissioner is not satisfied with the evidence given by the employer, the commissioner may appoint a person to value the taxable wages.

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- (4) If the value stated by the person appointed under subsection (3) is more than the value stated by the employer, the commissioner may claim all or part of the valuation costs from the employer.
- (5) The value of taxable wages comprising a fringe benefit under the Fringe Benefits Assessment Act is, unless otherwise prescribed by regulation, the value worked out using the following formula—

$$V = TV \times 1 / (1 - \text{FBT rate})$$

where—

**FBT rate** means the rate of fringe benefits tax imposed under the Fringe Benefits Assessment Act that applies when the employer's liability for payroll tax on the taxable wages arises.

**TV** means—

- (a) if paragraph (b) does not apply—the value that would be the taxable value of the taxable wages as a fringe benefit for the Fringe Benefits Assessment Act; or
- (b) if the fringe benefit is an amortised fringe benefit under the Fringe Benefits Assessment Act, section 65CA—the amortised amount of the benefit calculated under that section.

**V** means the value of the taxable wages.

- (6) This section does not apply to taxable wages comprising the grant of a share or option.

*Note*—

See section 13U (Value of taxable wages).

## Division 1A Contractor provisions

### 13A Definitions for div 1A

In this division—

[s 13B]

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*contract* includes an agreement, arrangement or undertaking, whether formal or informal and whether express or implied.

*relevant contract employee* see section 13D(2).

*re-supply*, in relation to goods acquired from a person, includes—

- (a) supply to the person, or, if the person is a member of a group, to another group member, the acquired goods in an altered form or condition; and
- (b) supply to the person, or, if the person is a member of a group, to another group member, other goods in which the acquired goods have been incorporated.

*services* includes results, whether goods or services, of work performed.

*supply* includes—

- (a) supply by way of sale, exchange, lease, hire, or hire purchase; and
- (b) in relation to services, includes the providing, granting or conferring of services.

### **13B Meaning of *relevant contract***

- (1) A *relevant contract* is a contract under which a person (the *designated person*), in the course of a business carried on by the designated person—
  - (a) supplies to another person services in relation to the performance of work; or
  - (b) has supplied to the designated person the services of persons in relation to the performance of work; or
  - (c) gives goods to individuals for work to be performed by those individuals in respect of the goods and for the goods to be re-supplied.
- (2) However, a *relevant contract* does not include a contract of service or a contract under which a person (the *designated*



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*person*), in the course of a business carried on by the designated person—

- (a) is supplied with services in relation to the performance of work, if the services are ancillary to—
  - (i) the supply of goods under the contract by the person by whom the services are supplied; or
  - (ii) the use of goods that are the property of the person by whom the services are supplied; or
- (b) is supplied with services in relation to the performance of work, if—
  - (i) the services are of a kind not ordinarily required by the designated person and are performed or rendered by a person who ordinarily performs or renders services of that kind to the public generally; or
  - (ii) the services are of a kind ordinarily required by the designated person for less than 180 days in a financial year; or
  - (iii) the services are provided for a period that does not exceed 90 days or for periods that, in the aggregate, do not exceed 90 days in the relevant financial year and are not services—
    - (A) provided by a person by whom similar services are provided to the designated person; or
    - (B) in relation to the performance of work where any of the persons who perform the work also perform similar work for the designated person;  
for periods that, in the aggregate, exceed 90 days in the relevant financial year; or
  - (iv) the services are supplied under a contract to which subparagraphs (i) to (iii) do not apply and the commissioner is satisfied the services are performed or rendered by a person who ordinarily

[s 13B]

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- performs or renders services of that kind to the public generally in the relevant financial year; or
- (c) is supplied by a person (the **contractor**) with services in relation to the performance of work under a contract to which paragraphs (a) and (b) do not apply, if the work to which the services relate is performed—
- (i) by 2 or more persons employed by, or who provide services for, the contractor in the course of a business carried on by the contractor; or
  - (ii) if the contractor is a partnership of 2 or more individuals—by 1 or more of the members of the partnership and 1 or more persons employed by, or who provide services for, the contractor in the course of a business carried on by the contractor; or
  - (iii) if the contractor is an individual—by the contractor and 1 or more persons employed by, or who provide services for, the contractor in the course of a business carried on by the contractor; or
- (d) is supplied with—
- (i) services ancillary to the conveyance of goods by means of a vehicle provided by the person conveying them; or
  - (ii) services solely in relation to the procurement of persons desiring to be insured by the designated person; or
  - (iii) services in relation to the door-to-door sale of goods solely for domestic purposes on behalf of the designated person.
- (3) For subsection (2)(b), **relevant financial year** means the financial year during which the designated person is supplied with the services.
- (4) Subsections (2)(c) and (d) do not apply if the commissioner is satisfied the contract or arrangement under which the services

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are supplied was entered into with an intention either directly or indirectly of avoiding the payment of tax by any person.

- (5) An employment agency contract under which services are supplied by an employment agent, or a service provider is procured by an employment agent, is not a relevant contract.

### **13C Persons taken to be employers**

- (1) For this Act, a person is taken to be an employer if, under a relevant contract—
- (a) the person supplies services to another person; or
  - (b) the services of other persons are supplied to the person in relation to the performance of work; or
  - (c) the person gives goods to individuals.
- (2) However, if a contract is a relevant contract under both section 13B(1)(a) and (b)—
- (a) the person to whom, under the contract, the services of persons are supplied in relation to the performance of work is taken to be an employer; and
  - (b) despite subsection (1)(a), the person who, under the contract, supplies the services is not taken to be an employer.
- (3) A person taken to be an employer under this section is a *relevant contract employer*.

### **13D Persons taken to be employees**

- (1) For this Act, a person is taken to be an employee if, under a relevant contract—
- (a) the person performs work in relation to which services are supplied to another person; or
  - (b) the person is an individual who re-supplies goods to an employer.

[s 13E]

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- (2) A person taken to be an employee under this section is a *relevant contract employee*.

### **13E Amounts taken to be wages**

- (1) For this Act, the following amounts paid or payable by a relevant contract employer under a relevant contract are taken to be wages—
- (a) amounts in relation to the performance of work for which services are supplied on or after 1 July 2008 under a relevant contract;
  - (b) amounts in relation to the performance of work relating to the re-supply of goods by a relevant contract employee under a relevant contract on or after 1 July 2008.

*Note—*

Under section 132, this section applies only in relation to wages paid or payable on or after 1 July 2008.

- (2) Subsection (1)(a) is taken to include the following, to the extent the following do not otherwise comprise wages under this Act—
- (a) a payment—
    - (i) made by the relevant contract employer in relation to a relevant contract employee; and
    - (ii) that would be a superannuation contribution if it were made in relation to a person in the capacity of an employee;
  - (b) the value of a share or option—
    - (i) granted or liable to be granted by a relevant contract employer in relation to a relevant contract employee; and
    - (ii) that would comprise wages under this Act if the share or option were granted in relation to a person in the capacity of an employee.

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- (3) For subsection (1), an amount paid or payable on or after 1 July 2008 for the performance of work under a relevant contract is taken to be for services supplied, or goods re-supplied, on or after 1 July 2008.
  - (4) However, if the commissioner is satisfied any part of an amount mentioned in subsection (3) is for services supplied, or goods re-supplied, before 1 July 2008, the part is not wages.
  - (5) If an amount mentioned in subsection (1) is included in a larger amount paid or payable by the relevant contract employer under the relevant contract, the part of the larger amount that is not attributable to the performance of work mentioned in subsection (1)(a) or (b) is the part decided by the commissioner.

### **13F Liability for payroll tax for payments taken to be wages**

- (1) If a relevant contract employer pays payroll tax on wages comprising a payment (the *primary payment*) in relation to the performance of work—
  - (a) no other person is liable for payroll tax on the primary payment; and
  - (b) another person who is liable to pay wages comprising a payment (a *secondary payment*) in relation to the work is not liable for payroll tax on the secondary payment.
- (2) Subsection (1)(b) does not apply if the commissioner is satisfied either the secondary payment or the primary payment is made with an intention either directly or indirectly of avoiding the payment of tax by the relevant contract employer or another person.

## **Division 1B            Employment agents**

### **13G    Meaning of *employment agency contract***

- (1) An *employment agency contract* is a contract under which a person (an *employment agent*) procures the services of another person (a *service provider*) for a client of the employment agent.
- (2) However, a contract is not an employment agency contract if it is, or results in the creation of, a contract of employment between the service provider and the client.
- (3) Subsection (1) applies to a contract whether it is formal or informal, express or implied.
- (4) For this section—  
*contract* includes agreement, arrangement and undertaking.

### **13H    Persons taken to be employers**

For this Act, the employment agent under an employment agency contract is taken to be an employer.

### **13I    Persons taken to be employees**

For this Act, the person who performs work in relation to which services are supplied to the client under an employment agency contract is taken to be an employee of the employment agent under the contract.

### **13J    Amounts taken to be wages**

- (1) For this Act, the following are taken to be wages paid or payable by the employment agent under an employment agency contract—
  - (a) an amount paid or payable in relation to the service provider in respect of the provision of services in connection with the contract;

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- (b) the value of a benefit provided in relation to the provision of services in connection with the contract that would be a fringe benefit if provided to a person in the capacity of an employee;
  - (c) a payment made in relation to the service provider that would be a superannuation contribution if made in relation to a person in the capacity of an employee.
- (2) However, subsection (1) does not apply to an amount, benefit or payment mentioned in the subsection if—
- (a) the amount, benefit or payment would be exempt from payroll tax under division 2, other than section 14(2)(j), (k) or (l) or 14A, if it had been paid or provided by the client in relation to the service provider as an employee; and
  - (b) the client has given the employment agent a declaration, in the approved form, that subsection (1) does not apply to the amount, benefit or payment.

### **13K Liability for payroll tax for payments taken to be wages**

- (1) This section applies if an employment agent—
- (a) under an employment agency contract, procures the services of a service provider for a client of the agent; and
  - (b) pays payroll tax on an amount, benefit or payment mentioned in section 13J(1) that is paid or payable by the employment agent in connection with that contract.
- (2) No other person, including another person engaged to procure the services of the service provider for the employment agent's client, is liable for payroll tax on wages paid or payable for the procurement or performance of services by the service provider for the client.
- (3) This section applies subject to sections 13L and 13LA.

[s 13L]

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### **13L Employment agency contract reducing or avoiding liability to payroll tax**

- (1) If the effect of an employment agency contract is to reduce or avoid the liability of a party to the contract to the assessment, imposition or payment of payroll tax, the commissioner may—
  - (a) disregard the contract; and
  - (b) determine that any party to the contract is taken to be an employer for this Act; and
  - (c) determine that any payment made in respect of the contract is taken to be wages for this Act.
- (2) If the commissioner makes a determination under subsection (1), the commissioner must give written notice of the determination to the person taken to be an employer for the purposes of this Act.
- (3) The notice must state the facts on which the commissioner relies and the reasons for making the determination.

### **13LA Particular avoidance arrangements involving employment agents**

- (1) This section applies if—
  - (a) an avoidance arrangement exists in relation to an employment agency in a return period; and
  - (b) the assumed non-adjusted tax for the period is less than the assumed adjusted tax for the period.
- (2) If this section applies in a return period, for the period—
  - (a) if the avoidance arrangement involves an employment agent acting as trustee for a client of the employment agent under a trust or acting as agent for a client of the employment agent under an employment agency contract—section 92(1) does not apply to the trustee or agent, or in relation to the trust or employment agency contract; and



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- (b) if the avoidance arrangement involves a client of an employment agent acquiring, or clients of an employment agent jointly acquiring, a controlling interest in the business of the employment agent referable to the client or clients—the client or clients is or are taken not to have the controlling interest; and
  - (c) the employment agent, or each employment agent, involved in the employment agency is answerable as an employer for doing everything required to be done under this Act for the payment of wages by the employment agent that are subject to payroll tax under this Act (including the giving of returns and payment of payroll tax); and
  - (d) if the employment agency involves more than 1 employment agent—the employment agents constitute a group.
- (3) For this section, a client has, or clients have, a controlling interest in a business if the client has, or the clients have, a controlling interest in the business under section 71.
- (4) In subsection (1)—
- (a) a reference to the assumed non-adjusted tax for a return period is a reference to the total amount of payroll tax that would be payable by the employment agent or agents involved in the employment agency for the period if the amount were calculated without applying any resultant provision; and
  - (b) a reference to the assumed adjusted tax for a return period is a reference to the total amount of payroll tax that would be payable by the employment agent or agents involved in the employment agency for the period if the amount were calculated applying each relevant resultant provision.
- (5) To remove any doubt about the application of subsection (4)(b), it is declared that if an employment agency is involved in more than 1 avoidance arrangement in a return period, subsection (4)(b) is to be applied by first applying each

[s 13LA]

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relevant resultant provision to each avoidance arrangement and then calculating the total amount for the subsection.

(6) In this section—

**avoidance arrangement** means an arrangement involving an employment agency if the arrangement involves 1 or more of the following—

- (a) an employment agent acting as trustee for a client of the employment agent under a trust;
- (b) an employment agent acting as agent for a client of the employment agent under an employment agency contract;
- (c) a client of an employment agent acquiring, or clients of an employment agent jointly acquiring, a controlling interest in the business of the employment agent referable to the client or clients.

**client** includes an individual or company that—

- (a) under the *Duties Act 2001*, section 164, is a related person of the client; or
- (b) is related to the client in another way prescribed under a regulation.

**employment agency** means a business enterprise involving—

- (a) the business of an employment agent; or
- (b) the businesses of 2 or more employment agents.

**employment agency contract** see the definition *employment agent* for this section.

**employment agent** means a person who, by a contract, agreement, arrangement or undertaking (the **employment agency contract**), procures the services of another person (the **worker**) for a client of the agent, if the employment agency contract is not, and does not result in the creation of, a contract of employment between the worker and the client.

**resultant provision** means subsection (2), paragraph (a), (b), (c) or (d).

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*return period* means—

- (a) for an employment agent who is required to lodge periodic returns—a periodic return period or financial year; or
- (b) for an employment agent who is exempt under section 62 from lodging periodic returns—a financial year.

## **Division 1C            Shares and options**

### **13M    Application of div 1C**

This division applies for paragraph (j) of the definition of *wages* in the schedule.

### **13N    Definitions for div 1C**

In this division—

*director*, of a company, includes—

- (a) a person who, under a contract or other arrangement, is to be appointed as a director of the company; and
- (b) a former director of the company.

*granted*, in relation to a share or option, see section 13O.

*grantee*, in relation to a grant of a share or option comprising wages for this Act, means the employee or director to whom the share or option is granted.

*grantor*, in relation to a grant of a share or option comprising wages for this Act, means the employer or company by whom the share or option is granted.

*relevant day* see section 13Q(2).

*vesting day* see section 13R(2).

### **13O    When share or option is *granted***

- (1) A share is *granted* to a person if—

[s 13P]

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- (a) the person acquires the share; or
  - (b) the requirements for the grant of a share prescribed under a regulation are satisfied.
- (2) An option is *granted* to a person if—
- (a) the person acquires a right to the share to which the option relates; or
  - (b) the requirements for the grant of an option prescribed under a regulation are satisfied.
- (3) In this section—

*acquire*, a share or right, means acquire the share or right under the *Income Tax Assessment Act 1936* (Cwlth), section 139G.

### **13P Grant of share because of exercise of option**

Despite paragraph (j) of the definition of *wages* in the schedule, the grant of a share by a grantor does not comprise wages if—

- (a) the grantor is required to grant the share because a person has exercised an option; and
- (b) either—
  - (i) the grant of the option to the person comprises wages for this Act; or
  - (ii) the option was granted to the person before 1 July 2008.

### **13Q Day on which wages are paid or payable**

- (1) Wages comprising the grant of a share or option are taken to be paid or payable on the relevant day.
- (2) The *relevant day* is the day the grantor elects under this division to treat as the day on which the wages comprising the grant of the share or option are paid or payable.

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### **13R Election by grantor of relevant day**

- (1) A grantor may elect to treat either of the following as the day on which wages comprising the grant of a share or option are paid or payable—
  - (a) the day the share or option is granted to the grantee;
  - (b) the vesting day for the share or option.
- (2) The *vesting day*—
  - (a) for a share—is the day the share vests in the grantee; or
  - (b) for an option—is the first of the following days—
    - (i) the day the share to which the option relates is granted to the grantee;
    - (ii) the day the grantee exercises a right under the option to have the share to which it relates transferred or allotted to, or vest in, the grantee.
- (3) For subsection (2), a share *vests* in the grantee when—
  - (a) any conditions applying to the grant of the share have been met; and
  - (b) the grantee's legal or beneficial interest in the share can not be rescinded.

### **13S Automatic election of relevant day**

- (1) This section applies if a grantor grants a share or option to a grantee and any of the following applies—
  - (a) the value of the grant of the share or option is not included in the taxable wages paid or payable by the grantor for a return period during which the share or option is granted;
  - (b) the value of the taxable wages comprising the grant of the share or option is nil;
  - (c) if the grantor were to elect to treat the day the share or option is granted as the relevant day, the wages would not be liable to payroll tax.

[s 13T]

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- (2) If subsection (1)(a) applies, the grantor is taken to have elected to treat the vesting day for the share or option as the day on which the wages comprising the grant of the share or option are paid or payable.
- (3) If subsection (1)(b) or (c) applies, the grantor is taken to have elected to treat the day the share or option is granted as the day on which the wages comprising the grant of the share or option are paid or payable.
- (4) This section applies despite section 13R.

### **13T Effect of rescission or cancellation of share or option**

- (1) If, before the vesting day, the grant of a share or option is withdrawn, cancelled or exchanged for consideration other than the grant of other shares or options—
  - (a) the date of the withdrawal, cancellation or exchange is taken to be the vesting day for the share or option; and
  - (b) despite section 13U(1)(a), the market value of the share or option on the vesting day is taken to be the amount of the consideration.
- (2) A grantor must reduce, by the relevant amount, the taxable wages paid or payable by the grantor for a financial year or final period, if—
  - (a) the grantor included the value of a grant of a share or option in the taxable wages paid or payable by the grantor for a periodic return period falling in the financial year or final period; and
  - (b) the grant is rescinded, during the financial year or final period, because the conditions of the grant were not met.
- (3) The commissioner must make a reassessment of a grantor's liability for payroll tax for a financial year or final period, to reduce the taxable wages of the grantor by the relevant amount, if—

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- (a) the grantor included the value of a grant of a share or option in the taxable wages paid or payable by the grantor for the financial year or final period; and
  - (b) the grant is rescinded, after the end of the financial year or final period, because the conditions of the grant were not met.
- (4) For subsections (2) and (3), the *relevant amount* is the value of the grant of a share or option previously included in the taxable wages of the grantor under subsection (2)(a) or (3)(a).
- (5) Subsections (2) and (3) do not apply only because the grantee fails to exercise an option or otherwise exercise the grantee's rights in relation to a share or option.

### **13U Value of taxable wages**

- (1) The value of taxable wages comprising the grant of a share or option is taken to be the amount equal to—
- (a) the market value, in Australian currency, of the share or option on the relevant day, worked out under the Commonwealth income tax provisions; less
  - (b) any consideration paid or given by the grantee for the share or option, other than consideration in the form of services performed.
- (2) For applying the Commonwealth income tax provisions under subsection (1)(a)—
- (a) an option is taken to be a right to acquire a share; and
  - (b) the provisions apply with the following changes and any other necessary changes—
    - (i) a reference in the provisions to a taxpayer is taken to be a reference to the grantee;
    - (ii) a reference in the provisions to the Commissioner of Taxation must be read as a reference to either that Commissioner or the commissioner under this Act.
- (3) In this section—

[s 13V]

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***Commonwealth income tax provisions*** means the *Income Tax Assessment Act 1936* (Cwlth), part III (Liability to taxation), division 13A (Employee share schemes), subdivision F (Special provisions about the market value of a share or right).

### **13V When services are performed**

- (1) Wages comprising the grant of a share or option by a company to a director of the company by way of remuneration for the appointment of the director, but not for services performed, are taken to be paid or payable for services performed or rendered during the month in which the relevant day falls.
- (2) Wages comprising the grant of a share or option to which subsection (1) does not apply are taken to be paid or payable for services performed or rendered during the month in which the relevant day falls.

### **13W Place where wages are paid or payable**

- (1) Wages comprising the grant of a share or option are taken to be paid or payable in Queensland if—
  - (a) for a share—the share is in a local company; or
  - (b) for an option—the option is an option to acquire a share in a local company.
- (2) If subsection (1) does not apply, wages comprising the grant of a share or option are taken to be paid or payable elsewhere than in Queensland.

*Note—*

Wages comprising the grant of a share or option that are taken to be paid or payable elsewhere than in Queensland may be liable to payroll tax if the grant is made for services performed or rendered wholly in Queensland (see section 9).

- (3) Subsection (4) applies to wages comprising the grant of a share or option by a company to a director of the company by way of remuneration for the appointment of the director, but not for services performed or rendered.



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- (4) The wages are taken to be paid or payable for services performed or rendered in the place or places where it may reasonably be expected the services of the director for the company will be performed or rendered.
- (5) In this section—
- local company* means—
- (a) a company that is—
    - (i) registered or taken to be registered under the Corporations Act; and
    - (ii) taken to be registered in Queensland for that Act; or
  - (b) another body corporate incorporated under an Act.

## **Division 1D Allowances**

### **Subdivision 1 Motor vehicle allowances**

#### **13X Definitions for sdiv 1**

In this subdivision—

*averaging method* means the method described in section 13ZB.

*averaging period* see section 13ZD(1).

*business journey* means—

- (a) a journey undertaken in a motor vehicle by a person, other than for applying the vehicle for a use that—
  - (i) is a private use; and
  - (ii) if the person is paid a motor vehicle allowance for the use—results in a fringe benefit under the Fringe Benefits Assessment Act being provided by the employer; or

[s 13Y]

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- (b) a journey undertaken in a motor vehicle by a person in the course of producing assessable income of the person under the *Income Tax Assessment Act 1936* (Cwlth).

***business vehicle***, of an employee, means a motor vehicle provided or maintained by the employee for undertaking business journeys.

***continuous recording method*** means the method described in section 13ZA.

***number of exempt kilometres*** see section 13Y(4), definition *K*.

***relevant percentage*** see section 13ZB(4).

### **13Y Exempt component of motor vehicle allowance**

- (1) For this Act, a reference to wages, in relation to a return period, does not include a reference to the exempt component of a motor vehicle allowance paid or payable to an employee for the period.
- (2) If the total motor vehicle allowance paid or payable to an employee for a return period is not more than the exempt component of the allowance, the allowance does not comprise wages for this Act.
- (3) If the total motor vehicle allowance paid or payable to an employee for a return period is more than the exempt component for the allowance, if any, only the amount of the allowance exceeding the exempt component comprises wages for this Act.
- (4) The ***exempt component*** of a motor vehicle allowance paid or payable to an employee for a business vehicle for a return period is the amount worked out using the following formula—

$$E = K \times R$$

where—

*E* means the exempt component.

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**K** means the number of exempt kilometres travelled by the vehicle during the return period, worked out under section 13Z (the *number of exempt kilometres*).

**R** means—

- (a) the rate prescribed under the *Income Tax Assessment Act 1997* (Cwlth), section 28-25 for calculating a deduction for car expenses for a large car using the cents per kilometre method for the financial year immediately preceding the financial year in which the allowance is paid or payable; or

*Editor's note—*

See the *Income Tax Assessment Regulations 1997* (Cwlth), schedule 1.

- (b) if there is no rate mentioned in paragraph (a) prescribed—the rate prescribed under a regulation.

### **13Z Working out the number of exempt kilometres**

- (1) For section 13Y(4), the number of exempt kilometres must be worked out using either of the following chosen by the employer—
  - (a) the continuous recording method;
  - (b) the averaging method.

*Note—*

See section 13ZG (Switching between continuous recording and averaging methods) for requirements about switching between the continuous recording and averaging methods.

- (2) However, if the commissioner gives a written approval for the employer to use another method for working out the number of exempt kilometres, the number of exempt kilometres must be worked out using the approved method.

*Example of another method—*

using an estimate

- (3) An approval mentioned in subsection (2)—

[s 13ZA]

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- (a) may be given by the commissioner if the commissioner is satisfied use of the other method would be more appropriate in particular circumstances; and
- (b) may apply to—
  - (i) the employer; or
  - (ii) a class of employers that includes the employer.
- (4) As soon as practicable after giving an approval under subsection (2), the commissioner must give a copy of the approval to the employer or, if the approval applies to a class of employers, each employer to whom it applies.

### **13ZA Continuous recording method**

- (1) This section applies if, under section 13Z(1)(a), the employer uses the continuous recording method to work out the number of exempt kilometres for a business vehicle.
- (2) The employer must keep a record of the following details—
  - (a) the odometer readings at the beginning and end of each business journey undertaken by the employee during the return period by means of the vehicle;
  - (b) the specific purpose for which the journey was undertaken;
  - (c) the distance travelled.

*Note—*

See the Administration Act, section 118 (Period for keeping records).

- (3) The number of exempt kilometres is the distance of all business journeys mentioned in subsection (2)(a), worked out using the odometer readings mentioned in the subsection.

### **13ZB Averaging method—how it works**

- (1) This section applies if, under section 13Z(1)(b), the employer uses the averaging method to work out the number of exempt kilometres for a business vehicle.

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- (2) The employer must keep the records mentioned in section 13ZC.

*Note—*

See the Administration Act, section 118 (Period for keeping records).

- (3) The number of exempt kilometres is the number worked out using the following formula—

$$K = D \times RP$$

where—

*D* means the total distance travelled by the business vehicle during the return period, worked out using the odometer readings mentioned in section 13ZC(3)(a).

*K* means the number of exempt kilometres.

*RP* means the relevant percentage for the vehicle.

- (4) The *relevant percentage* for the business vehicle is the percentage worked out using the following formula—

$$RP = B/T \times 100$$

where—

*B* means the distance travelled by the employee in the course of business journeys undertaken by means of the vehicle during the averaging period for the vehicle, worked out using the odometer readings mentioned in section 13ZC(2)(a).

*RP* means the relevant percentage.

*T* means the total distance travelled by the vehicle during the averaging period for the vehicle, worked out using the odometer readings mentioned in section 13ZC(2)(d).

- (5) If a relevant percentage for the business vehicle is worked out on the basis of an averaging period for the vehicle, the number of exempt kilometres for the vehicle for a return period mentioned in subsection (6) must be worked out using that relevant percentage.
- (6) For subsection (5), the return periods are—

[s 13ZC]

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- (a) any return period falling in or comprising the financial year in which the averaging period falls or, if the averaging period falls in 2 financial years, the second financial year in which the period falls, other than a return period ending before the averaging period ends; and
  - (b) the return periods falling in or comprising any of the succeeding 4 financial years after the financial year mentioned in paragraph (a).
- (7) Subsection (5) applies subject to section 13ZE.

### **13ZC Averaging method—records to be kept by employer**

- (1) An employer who, under section 13Z(1)(b), works out the number of exempt kilometres for a business vehicle using the averaging method must keep a record of the details stated in this section.
- (2) In relation to the averaging period for the business vehicle, the details are each of the following—
  - (a) the odometer readings at the beginning and end of each business journey undertaken by the employee during the averaging period by means of the vehicle;
  - (b) the specific purpose for which each business journey mentioned in paragraph (a) was undertaken;
  - (c) the distance travelled by the employee during the averaging period in the course of all business journeys mentioned in paragraph (a), worked out using the odometer readings mentioned in the paragraph;
  - (d) the odometer readings at the beginning and end of the averaging period;
  - (e) the distance travelled by the vehicle during the averaging period, worked out using the odometer readings mentioned in paragraph (d);
  - (f) the relevant percentage for the vehicle.

*Note—*

Under section 13ZB(5), the relevant percentage worked out on the basis of an averaging period must be used for the return periods mentioned in section 13ZB(6). While the employer is using that relevant percentage, the employer is not required to work out the relevant percentage again, or to make a new record of the details mentioned in subsection (2).

- (3) In relation to the return period to which the number of exempt kilometres relates, the details are each of the following—
  - (a) the business vehicle's odometer readings at the beginning and end of the return period;
  - (b) the distance travelled by the vehicle during the return period, worked out using the odometer readings mentioned in paragraph (a);
  - (c) the number of exempt kilometres for the vehicle for the return period.
- (4) If the odometer of the business vehicle is replaced or recalibrated during a return period for which its readings are relevant for using the averaging method, the employer must keep a record of the odometer readings immediately before and immediately after the replacement or recalibration.

### **13ZD Averaging method—what is the *averaging period***

- (1) The *averaging period*, for a business vehicle of an employee, means a continuous period of at least 12 weeks, chosen by the employer, throughout which the vehicle is provided or maintained by the employee.
- (2) The averaging period may overlap the start or end of a financial year.

*Note—*

See also section 13ZB(5) and (6) in relation to using a relevant percentage worked out on the basis of an averaging period that falls in 2 financial years.

- (3) If the averaging method is used for more than 1 business vehicle of an employee for the same return period, the

[s 13ZE]

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averaging period for the vehicles must be the same.

- (4) This section applies subject to section 13ZE.

### **13ZE Averaging method—recalculation of relevant percentage**

- (1) This section applies to an employer who, under section 13Z(1)(b), works out the number of exempt kilometres for a business vehicle using the averaging method.
- (2) The employer must recalculate the relevant percentage for the business vehicle if—
- (a) the commissioner gives the employer a written notice, before the start of a return period, directing the employer to recalculate the relevant percentage for the vehicle on the basis of an averaging period that falls wholly or partly during the return period; or
  - (b) the employer wishes to start using the averaging method for 1 or more other business vehicles used by the employee.

*Note—*

See also section 13ZD(3).

- (3) Also, the employer must recalculate the relevant percentage for the business vehicle if the employer—
- (a) has used a relevant percentage worked out on the basis of an averaging period for the vehicle for the succeeding 4 financial years after the financial year mentioned in section 13ZB(6)(a); and
  - (b) intends to continue using the averaging method to work out the number of exempt kilometres for the vehicle.

*Note—*

If the employer recalculates the relevant percentage on the basis of a new averaging period, the new averaging period applies for the purposes of section 13ZB(5) and the employer must use the new relevant percentage for the return periods mentioned in section 13ZB(6).

- (4) In this section—



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*recalculate* the relevant percentage for a business vehicle means—

- (a) record the details mentioned in section 13ZC(2)(a) to (e) in relation to a new averaging period for the vehicle; and
- (b) work out a new relevant percentage for the vehicle using the details mentioned in paragraph (a).

### **13ZF Averaging method—replacing a business vehicle**

- (1) An employer using the averaging method may nominate 1 business vehicle (the *replacement vehicle*) to be the replacement of another business vehicle (the *original vehicle*).
- (2) The employer must record the nomination in writing—
  - (a) during the financial year in which the nomination takes effect; or
  - (b) if the commissioner allows the employer to record the nomination at a later time—at the later time allowed by the commissioner.
- (3) The nomination takes effect on the day stated in it.
- (4) After the nomination takes effect, for the employer's use of the averaging method the replacement vehicle is taken to be the original vehicle.
- (5) The employer need not repeat, for the replacement vehicle, the steps already taken under this subdivision for the original vehicle.

*Example—*

The employer is not required to recalculate the relevant percentage worked out for the original vehicle.

- (6) The employer must keep a record of—
  - (a) the odometer reading of the original vehicle immediately before the nomination takes effect; and
  - (b) the odometer reading of the replacement vehicle immediately after the nomination takes effect.

[s 13ZG]

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### **13ZG Switching between continuous recording and averaging methods**

- (1) An employer may change from using a recording method to using the other recording method with effect from the beginning of a financial year.

*Note—*

See section 13ZA(2) or 13ZC for the record keeping requirements with which the employer must comply for the financial year for the continuous recording method or averaging method.

- (2) In this section—

*recording method* means the averaging method or continuous recording method.

## **Subdivision 2 Accommodation allowances**

### **13ZH Exempt rate for accommodation allowance**

- (1) For this Act, a reference to wages does not include a reference to an accommodation allowance—
  - (a) paid or payable to an employee for a night's absence from the employee's usual place of residence; and
  - (b) that is not more than the exempt rate.
- (2) If an accommodation allowance paid or payable to an employee for a night's absence from the employee's usual place of residence is more than the exempt rate, the allowance comprises wages for this Act only to the extent it is more than the exempt rate.
- (3) The *exempt rate*, for a financial year, is—
  - (a) the total reasonable amount for daily travel allowance expenses using the lowest capital city for the lowest salary band for the year decided by the Commissioner of Taxation of the Commonwealth for the *Income Tax Assessment Act 1997* (Cwlth), section 900-50; or

- (b) if no decision mentioned in paragraph (a) is in force—the rate prescribed under a regulation.

## Division 2 Exemptions

### 14 Exemption from payroll tax

- (1) In this section—

*associated religious body* means a body—

- (a) which appertains to or is controlled by a religious institution; and
- (b) the principal object and pursuit of which is the conduct of activities of a religious nature.

*exempt charitable institution* means—

- (a) a public benevolent institution or the trustees of such an institution; or
- (b) an institution or the trustees of an institution the principal object and pursuit of which is—
  - (i) the relief of poverty; or
  - (ii) the care of sick, aged, infirm, afflicted or incorrigible persons or of children; or
  - (iii) any 2 or more of those objects and pursuits; or
- (c) an institution, or the trustees thereof, declared by the Minister in the Minister's discretion to be an institution to which this paragraph applies, the principal object and pursuit of which is the fulfilling of a charitable object or an object promoting the public good (not being an object or pursuit that is a sporting, recreational, leisure or social pursuit or object or an object or pursuit declared under a regulation for the purposes of this paragraph); or
- (d) a non-tertiary educational institution or the trustees of such an institution; or

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- (e) a religious institution or an associated religious body or the trustees of such an institution or body.

For the purposes of this definition—

- (f) an institution is not an institution of the kind described in paragraph (a), (b), (c) or (d) unless the constitution, by whatever name called, of that institution provides—
  - (i) that the income and property of the institution is to be used and applied solely for the promotion of the objects of the institution and that no portion of the income or property will be distributed, paid or transferred by way of dividend, bonus or otherwise amongst its members; and
  - (ii) that on dissolution the assets of the institution remaining after satisfaction of all liabilities must be transferred to some institution having similar objects;
- (g) the care of sick, aged, infirm, afflicted or incorrigible persons means care which relates directly to and is necessary because of the persons so cared for being sick, aged, infirm, afflicted or incorrigible;
- (h) the care of children means being responsible for children on a full-time basis and providing them with all necessary food, clothing and shelter and providing for their general wellbeing and protection;
- (i) in exercising discretion under paragraph (c) the Minister may have regard to the commercial activities of the institution.

***non-tertiary educational institution*** means an institution, not carried on by or on behalf of the State, the principal object and pursuit of which is—

- (a) the education of students in primary or secondary schools, or both; or
- (b) the conduct of a rural training school; or
- (c) the conduct of a kindergarten or preschool; or

- (d) any 2 or more of those objects and pursuits.

***qualifying exempt purpose*** means—

- (a) a public benevolent purpose; or
- (b) the purpose of the relief of poverty; or
- (c) the purpose of care of sick, aged, infirm, afflicted or incorrigible persons or of children; or
- (d) the purpose of activities of a religious nature; or
- (e) any 2 or more of those purposes; or
- (f) in the case of an institution to which the definition *exempt charitable institution*, paragraph (c) applies—
  - (i) the purpose which in the opinion of the Minister is that institution's principal object and pursuit; or
  - (ii) the purpose referred to in subparagraph (i) and any 1 or more of the purposes specified in paragraphs (a) to (d).

***religious institution*** means an institution which the commissioner is satisfied is a religious institution.

For the purposes of this definition—

- (a) the commissioner is entitled not to be satisfied that an institution is a religious institution where the members or followers of the institution do not subscribe to common articles of faith or beliefs which are formally documented;
- (b) the commissioner may, having regard to—
  - (i) whether the institution is formally constituted; and
  - (ii) the number of members or followers of that institution in Queensland; and
  - (iii) the period of time during which the institution has been established; and
  - (iv) whether the institution has a ministry, by whatever name called, which is devoted to the propagation or practice of the faith or beliefs of the institution

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and regularly conducts religious services for members or followers of the institution for religious worship or meditation; and

- (v) whether it is usual for members of the institution to meet at a place clearly identifiable as a place at which such persons meet to engage in religious worship or meditation; and
- (vi) whether members of the institution's ministry have undergone a formal training program to qualify for that ministry;

determine an institution to be or not to be a religious institution.

- (2) The wages liable to payroll tax under this Act do not include wages paid or payable—
  - (a) by the Governor of a State; or
  - (b) by a public hospital to a person during a period in respect of which the person is engaged exclusively in work of the hospital of a kind ordinarily performed in connection with the conduct of public hospitals; or
  - (c) by an exempt charitable institution in respect of an exempt charitable institution to a person during a period in respect of which the person is engaged exclusively—
    - (i) in the work of the secondmentioned exempt charitable institution for a qualifying exempt purpose; or
    - (ii) where that secondmentioned exempt charitable institution is—
      - (A) a hospital, in the work of that hospital of a kind ordinarily performed in connection with the conduct of a hospital; or
      - (B) a non-tertiary educational institution, in the work of that institution of a kind ordinarily performed in connection with the conduct of a non-tertiary educational institution of the relevant kind; or

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- (d) by a teachers' training college (that is not a college of advanced education) declared under a regulation made for the purposes of this paragraph, in respect of such period (whether commencing before or after the commencement of the *Payroll Tax Act Amendment Act 1985*, section 6) as is specified under a regulation unless within any period so specified the college becomes a college of advanced education whereupon the exemption shall cease to apply; or
  - (e) by a local government, except to the extent that those wages are paid or payable—
    - (i) for or in connection with; or
    - (ii) for or in connection with the construction of any buildings or the construction of any works or the installation of plant, machinery or equipment for use in or in connection with;  
electricity generation, distribution or supply, water supply, sewerage, the conduct of transport services (including ferries), of abattoirs, of public markets, of parking stations, of quarries, of cemeteries, of picture theatres, of milk supply, of hostels, of hotels or of bakeries or of any other activity that is a prescribed activity; or
  - (f) to members of his or her official staff by—
    - (i) a consular or other representative (other than a diplomatic representative) in Australia of the government of any other part of Her Majesty's dominions or of any other country; or
    - (ii) a trade commissioner representing in Australia any other part of Her Majesty's dominions; or
  - (g) by the Commonwealth War Graves Commission; or
  - (h) by the Australian-American Educational Foundation; or
  - (i) to a person who is a member of the defence force of the Commonwealth or of the armed force of any part of Her Majesty's dominions, being wages paid or payable by

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- reason of the person being such a member by the employer from whose employment the person is on leave; or
- (j) subject to subsections (3) to (7), to a person who is an apprentice or trainee under the *Vocational Education, Training and Employment Act 2000*, as the apprentice or trainee, for the period of the person's apprenticeship or traineeship; or
  - (k) subject to subsection (8), to an employee for a period when the employee is—
    - (i) taking part in fire fighting or fire prevention activities, or associated activities, as a volunteer member of a rural fire brigade under the *Fire and Rescue Service Act 1990*; or
    - (ii) performing functions as a volunteer member of the State Emergency Service or an emergency service unit under the *Disaster Management Act 2003*; or
    - (iii) performing functions as an honorary ambulance officer under the *Ambulance Service Act 1991*; or
  - (l) to a person who is an Aboriginal person or Torres Strait Islander employed under an employment project under the Community Development Employment Project funded by the Department of Employment and Workplace Relations (Cwth) or the Torres Strait Regional Authority.
- (3) The exemption given in subsection (2)(j) does not apply to wages paid or payable to a trainee under a traineeship started with the trainee's employer after the commencement of this subsection (the **current traineeship**) if, immediately before the current traineeship starts, the trainee had been employed by the employer for a continuous period of at least—
- (a) for a full-time employee—3 months; or
  - (b) for a part-time or casual employee—12 months.



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- (4) Despite subsection (3), the exemption given in subsection (2)(j) applies to wages paid or payable to the trainee under the current traineeship if—
- (a) before the commencement of subsection (3), the trainee started, with the employer, a traineeship for a certificate II qualification established under a national program administered under the *Australian National Training Authority Act 1992* (Cwlth) (a ***certificate II traineeship***); and
  - (b) the current traineeship is a traineeship for a certificate III qualification (a ***certificate III traineeship***) in the same training package or occupational stream as the certificate II traineeship; and
  - (c) the trainee starts the current traineeship within 1 year after obtaining the certificate II qualification.
- (5) Also, despite subsection (3), the exemption given in subsection (2)(j) applies to wages paid or payable to the trainee under the current traineeship if—
- (a) after the commencement of subsection (3), the trainee started, with the employer, a certificate II traineeship and subsection (2)(j) applied to wages paid or payable to the trainee under the certificate II traineeship; and
  - (b) the current traineeship is a certificate III traineeship in the same training package as the certificate II traineeship; and
  - (c) the trainee starts the current traineeship within 1 year after obtaining the certificate II qualification.
- (6) For subsection (3), the trainee is taken to have been employed by the employer for a continuous period if, in the period, 1 of the following events is effected for the sole or dominant purpose of obtaining the benefit of Commonwealth or State funding, or an exemption under subsection (2)(j), in relation to the traineeship—
- (a) the trainee's employment ends, and restarts, with the employer;

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- (b) the trainee's employer changes.
- (7) For subsections (4)(a) and (5)(a), a reference to the trainee's employer includes a reference to the former owner of the business in which the trainee is employed if—
  - (a) ownership of the business changes after the trainee starts the certificate II traineeship; and
  - (b) the certificate III traineeship is with the new owner.
- (8) The exemption given in subsection (2)(k) does not apply to wages paid or payable as annual leave, long service leave, recreation leave or sick leave.

#### **14A Exemption for parental and adoption leave**

- (1) The wages liable to payroll tax under this Act do not include wages paid or payable to an employee for parental leave or adoption leave.
- (2) It is immaterial whether the parental leave is taken during or after the pregnancy, or the adoption leave is taken before or after the adoption.
- (3) The exemption under subsection (1) is limited to wages paid or payable for—
  - (a) not more than 14 weeks' maternity leave for any 1 pregnancy; and
  - (b) not more than 14 weeks' paternity leave for any 1 pregnancy; and
  - (c) not more than 14 weeks' adoption leave for any 1 adoption.
- (4) A reference in subsection (3) to 14 weeks' leave is a reference to—
  - (a) for a full-time employee who takes leave on less than full pay—a period equivalent to 14 weeks' leave on full pay; or
  - (b) for a part-time employee—a period of 14 weeks' leave at the employee's part-time rate of pay.

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- (5) An employer who claims an exemption under subsection (1) must obtain and keep as a record—
- (a) for wages paid or payable for maternity leave—a medical certificate for, or statutory declaration by, the employee stating—
    - (i) the employee is or was pregnant; or
    - (ii) the employee has given birth and the date of birth; or
  - (b) for wages paid or payable for paternity leave—a statutory declaration by the employee stating—
    - (i) a female is or was pregnant with his unborn child; or
    - (ii) his child has been born and the date of birth; or
  - (c) for wages paid or payable for adoption leave—a statutory declaration by the employee stating—
    - (i) a child has been placed in the custody of the employee pending the making of an adoption order; or
    - (ii) that an adoption order has been made or recognised in favour of the employee.

*Note—*

Under the Administration Act, section 118, these records must be kept for at least 5 years.

- (6) The exemption under subsection (1) does not apply to wages comprising a fringe benefit under the Fringe Benefits Assessment Act.
- (7) In this section—

***adoption leave*** means leave given to an employee in connection with the adoption of a child by the employee, other than annual leave, recreation leave, sick leave or similar leave.

***maternity leave*** means leave given to a female employee in connection with her pregnancy or the birth of her child, other than annual leave, recreation leave, sick leave or similar leave.

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*parental leave* means maternity leave or paternity leave.

*paternity leave* means leave given to a male employee in connection with the pregnancy of a female carrying his unborn child or the birth of his child, other than annual leave, recreation leave, sick leave or similar leave.

## 15 Exemption from payroll tax—certain CWA wages

- (1) CWA is not required to lodge a return.
- (2) Divisions 3 to 5 apply to CWA as if—
  - (a) a reference in section 20 to the *periodic deduction* were a reference to the taxable wages paid or payable by CWA during the periodic return period; and
  - (b) a reference in section 29 to the *annual deduction* were a reference to the taxable wages paid or payable by CWA during the financial year; and
  - (c) a reference in section 37 to the *final deduction* were a reference to the taxable wages paid or payable by CWA during the final period.
- (3) However, CWA is required to lodge a return and subsection (2) does not apply if—
  - (a) wages are paid or payable by CWA in carrying on a business activity predominantly on a commercial basis (*CWA's commercial wages*); or
  - (b) CWA is a member of a group.
- (4) If only subsection (3)(a) applies, tax payable is the amount bearing the same proportion to tax payable on CWA's taxable wages as CWA's commercial wages bear to taxable wages before deducting the prescribed amount.
- (5) If subsection (3)(b) applies, the annual amount of tax payable by the members of the group must be reduced by an amount bearing the same proportion to the tax payable as CWA's taxable wages (other than CWA's commercial wages) bear to the taxable wages paid or payable by the members of the group.

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- (6) For this section, a business activity by CWA is taken to be conducted on a commercial basis if it is conducted in a similar way to similar business activities conducted by anyone else on a commercial basis.
- (7) For this section, a business activity does not include—
- (a) the conduct of a student hostel; and
  - (b) the conduct of a hostel subsidised under the *Aged or Disabled Persons Care Act 1954* (Cwlth); and
  - (c) an activity of a type prescribed under a regulation.
- (8) In this section—
- CWA* means Queensland Country Women's Association.

## **Division 3            Periodic liability**

### **Subdivision 1        Employer other than the DGE for a group**

#### **16        Application of sdiv 1**

This subdivision applies to an employer who—

- (a) is required under section 59 to lodge periodic returns; and
- (b) is not the DGE for a group.

#### **17        Definitions for sdiv 1**

In this subdivision—

*actual periodic deduction*, for the employer for a periodic return period, means the greater of zero and the amount

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worked out using the following formula—

$$APD = \frac{FME}{G} - \frac{1}{4} \left( TW - \frac{FME}{G} \right)$$

where—

*APD* means the actual periodic deduction in dollars.

*E* (maximum deduction per month) means 83333.

*F* means the number of days in the period for which the employer pays, or is liable to pay, taxable wages.

*G* means the total number of days in the period.

*M* means the number of months in the period.

*TW* means the amount of taxable wages paid or payable in the period.

*fixed periodic deduction*, for the employer for a periodic return period, means—

- (a) the amount of the employer's deduction for the period determined by the commissioner under section 21; or
- (b) if paragraph (a) does not apply—the greater of zero and the amount worked out on the most recent calculation day using the following formula—

$$FPD = \frac{QW}{AW} \left( E - \frac{1}{4} \left\langle \frac{AW}{12} - E \right\rangle \right) M$$

where—

*AW* means the total amount of taxable wages and interstate wages estimated by the employer to be payable by the employer for the financial year in which the period falls.

*E* means 83333.

*FPD* means the fixed periodic deduction in dollars.

*M* means the number of months in the period.

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*QW* means the total amount of taxable wages estimated by the employer to be payable by the employer for the financial year in which the period falls.

## 18 Meaning of *calculation day*

For working out the employer's fixed periodic deduction for a periodic return period in a financial year, each of the following days in the year is a *calculation day*—

- (a) 1 July;
- (b) the day the employer is first registered, or required to register, as an employer under part 3, division 1;
- (c) the first day of a periodic return period during which the employer pays, or is liable to pay, interstate wages, if the employer's periodic deduction for the preceding periodic return period was, under section 20(2), the actual periodic deduction for the employer for the period;
- (d) the last day of a periodic return period during which a significant wage change happens for the employer;
- (e) the day a determination by the commissioner of the employer's fixed periodic deduction under section 21 ceases to have effect, if the commissioner does not make a further determination of the deduction;
- (f) the day a change to the employer's periodic return period takes effect under section 60.

## 19 Meaning of *significant wage change*

- (1) A *significant wage change* happens during a periodic return period for an employer if—
  - (a) the employer's deduction for the period is, under section 20(2), the fixed periodic deduction; and
  - (b) the previous estimated wages would differ by more than 30% from the current estimated wages.

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(2) In this section—

***current estimated wages*** means the total amount of taxable wages and interstate wages, or the total amount of taxable wages, for the financial year estimated by the employer at the end of the periodic return period mentioned in subsection (1).

***previous estimated wages*** means the estimated total amount of taxable wages and interstate wages, or the estimated total amount of taxable wages, used for working out the fixed periodic deduction.

## **20 Amount of periodic liability**

(1) The employer's liability (***periodic liability***) for payroll tax for a periodic return period is the amount worked out by applying the appropriate rate of payroll tax to—

- (a) for a non-DGE group member—the total taxable wages paid or payable by the employer during the period; or
- (b) for another employer—the greater of zero and the amount equal to the total taxable wages paid or payable by the employer during the period less the periodic deduction.

(2) For subsection (1)(b), the periodic deduction is—

- (a) if the employer pays, or is liable to pay interstate wages during the period—the employer's fixed periodic deduction for the period; or
- (b) if the employer does not pay, and is not liable to pay, interstate wages during the period and the employer is a previous interstate wage payer—the employer's fixed periodic deduction for the period; or
- (c) if the employer does not pay, and is not liable to pay, interstate wages during the period and paragraph (b) does not apply—the employer's actual periodic deduction for the period.

(2A) Subsection (1) does not apply for the last periodic return period of a financial year for the employer.



(3) In this section—

*previous interstate wage payer* means an employer who—

- (a) paid, or was liable to pay, interstate wages at any time during—
  - (i) the financial year (the *current year*) in which the periodic return period falls; or
  - (ii) the most recently ended financial year; and
- (b) intends to resume paying, or being liable to pay, interstate wages during the current year or the next financial year.

*Note 1—*

Under section 30(1)(a) of the Administration Act, an employer's liability for payroll tax for a periodic return period must be paid on the date the employer is required to lodge a periodic return for the period.

*Note 2—*

An employer may be required, under the Administration Act, to include assessed interest or penalty tax in an assessment of periodic liability.

## **21 Determination by commissioner of fixed periodic deduction**

- (1) The commissioner may, by written notice given to the employer, determine the amount of the employer's fixed periodic deduction for a periodic return period, if the employer—
  - (a) either—
    - (i) pays, or is liable to pay, taxable wages and interstate wages for the period; or
    - (ii) is a previous interstate wage payer within the meaning of section 20; and
  - (b) is not a group member.
- (1A) Subsection (1) does not apply for the last periodic return period of a financial year for the employer.

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- (2) The determination must state the periodic return periods to which it applies.
- (3) The determination may apply for a periodic return period starting before or after, or the periodic return period in which, the determination is made.
- (4) The commissioner may, at any time by written notice given to the employer, revoke a determination made under subsection (1) with effect from the first day of the periodic return period stated in the notice.
- (5) The periodic return period stated in a notice under subsection (4) may be before or after, or the same periodic return period as, the periodic return period in which the notice is given but may not be before the date of the determination being revoked.

## **Subdivision 2      DGE for a group**

### **22      Application of sdiv 2**

This subdivision applies to the DGE for a group.

### **23      Definition for sdiv 2**

In this subdivision—

*fixed periodic deduction*, for the DGE for a periodic return period, means—

- (a) the amount of the DGE's deduction for the period determined by the commissioner under section 27; or
- (b) if paragraph (a) does not apply—the greater of zero and the amount worked out on the most recent calculation day using the following formula—

$$\text{FPD} = \frac{\text{QW}}{\text{AW}} \left( \text{E} - \frac{1}{4} \left\langle \frac{\text{AW}}{12} - \text{E} \right\rangle \right) \text{M}$$

where—

*AW* means the total amount of taxable wages and interstate wages estimated by the members of the group to be payable by the members for the financial year in which the period falls.

*E* means 83333.

*FPD* means the fixed periodic deduction in dollars.

*M* means the number of months in the period.

*QW* means the total amount of taxable wages estimated by the members of the group to be payable by the members for the financial year in which the period falls.

## 24 Meaning of *calculation day*

For working out the DGE's fixed periodic deduction for a periodic return period in a financial year, each of the following days in the year is a *calculation day*—

- (a) 1 July;
- (b) the day the DGE first becomes the DGE for the group;
- (c) the last day of a periodic return period during which a significant wage change happens for the group;
- (d) the day a determination by the commissioner of the DGE's periodic deduction under section 27 ceases to have effect, if the commissioner does not make a further determination of the deduction;
- (e) the day a change in the DGE's periodic return period takes effect under section 60.

## 25 Meaning of *significant wage change*

- (1) A *significant wage change* happens during a periodic return period for a group if the previous estimated wages would differ by more than 30% from the current estimated wages.
- (2) In this section—

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*current estimated wages* means the total amount of taxable wages and interstate wages, or the total amount of taxable wages, for the financial year estimated by the members of the group at the end of the periodic return period mentioned in subsection (1).

*previous estimated wages* means the estimated total amount of taxable wages and interstate wages, or the estimated total amount of taxable wages, of the members of the group used for working out the fixed periodic deduction for the DGE for a periodic return period.

## 26 Amount of periodic liability

- (1) The DGE's liability (*periodic liability*) for payroll tax for a periodic return period is the amount worked out by applying the appropriate rate of payroll tax to the greater of zero and the amount equal to the total taxable wages paid or payable by the DGE during the period less the DGE's fixed periodic deduction for the period.

*Note 1—*

Under section 30(1)(a) of the Administration Act, a DGE's liability for payroll tax for a periodic return period must be paid on the date the DGE is required to lodge a periodic return for the period.

*Note 2—*

A DGE may be required, under the Administration Act, to include assessed interest or penalty tax in an assessment of periodic liability.

- (2) Subsection (1) does not apply for the last periodic return period of a financial year for the DGE.

## 27 Determination by commissioner of fixed periodic deduction

- (1) The commissioner may, by written notice given to the DGE, determine the amount of the DGE's fixed periodic deduction for a periodic return period.
- (1A) Subsection (1) does not apply for the last periodic return period of a financial year for the DGE.

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- (2) The determination must state the periodic return periods to which it applies.
  - (3) The determination may apply for a periodic return period starting before or after, or the periodic return period in which, the determination is made.
  - (4) The commissioner may, at any time by written notice given to the DGE, revoke a determination made under subsection (1) with effect from the first day of the periodic return period stated in the notice.
  - (5) The periodic return period stated in a notice under subsection (4) may be before or after, or the same periodic return period as, the periodic return period in which the notice is given but may not be before the date of the determination being revoked.
  - (6) The commissioner may make a determination, or revoke a determination, under this section in relation to the deduction amount for a non-DGE group member.
  - (7) If the commissioner makes a determination mentioned in subsection (6), the group member is, on the first day of the first periodic return period to which the determination applies, taken to have been designated under section 75(1) or (2) as the DGE for the group.

### **Subdivision 3      Rebate**

#### **27A      Rebate for periodic liability**

- (1) This section applies if—
  - (a) wages are paid or payable during a periodic return period in the financial year ending 30 June 2010 by an employer, or a DGE for a group, to a person who is an apprentice or trainee under the *Vocational Education, Training and Employment Act 2000*; and
  - (b) the wages are not taxable wages under section 14(2)(j).

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(2) The employer's, or DGE's, periodic liability for payroll tax for the periodic return period is reduced by the amount of the rebate.

(3) In this section—

*rebate* means the lesser of the following amounts—

(a) the amount worked out using the following formula—

$$T \times \frac{W}{4}$$

where—

*T* means the appropriate rate of payroll tax.

*W* means the amount of the wages mentioned in subsection (1);

(b) the employer's, or DGE's, periodic liability for payroll tax for the periodic return period.

## **Division 4            Annual liability**

### **Subdivision 1        Employer other than the DGE for a group**

#### **28        Application of sdiv 1**

This subdivision applies to an employer who—

(a) is required, under section 63, to lodge an annual return for a financial year; and

(b) is not the DGE for a group on 30 June in the year.

*Editor's note—*

For provisions about a DGE's annual liability, see subdivision 2.

#### **29        Definitions for sdiv 1**

(1) In this subdivision—

**annual adjustment amount**, for the employer for a financial year, means the difference between—

- (a) the employer's annual payroll tax amount for the year; and
- (b) the employer's periodic liability for periodic return periods in the year.

**annual deduction**, for the employer for a financial year, means the greater of zero and the amount worked out using the following formula—

$$AD = \frac{AW}{AW + IW} \left( \frac{K(A+B)}{C} - \frac{1}{4} \left( AW + IW - \frac{K(A+B)}{C} \right) \right)$$

where—

**A** means the number of days in the part of the year starting on 1 July and ending on 31 December for which the employer pays, or is liable to pay, wages, other than foreign wages.

**AD** means the annual deduction in dollars.

**AW** means the employer's annual wages for the year.

**B** means the number of days in the part of the year starting on 1 January and ending on 30 June for which the employer pays, or is liable to pay, wages, other than foreign wages.

**C** means the number of days in the year.

**IW** means the amount of interstate wages paid or payable in the year.

**K** means 1000000.

**annual payroll tax amount**, for the employer for a financial year, means—

- (a) if the employer is not a group member on 30 June in the year and the employer's annual deduction for the year is greater than the employer's annual wages for the year—zero; or
- (b) if the employer is not a group member on 30 June in the year and paragraph (a) does not apply—the amount

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worked out by applying the appropriate rate of payroll tax to the employer's annual wages for the year less the employer's annual deduction for the year; or

- (c) if the employer is a group member on 30 June in the year—the amount worked out by applying the appropriate rate of payroll tax to the employer's annual wages for the year.

***annual wages***, for the employer for a financial year, means the total taxable wages paid or payable by the employer during the year.

- (2) Despite subsection (1), definition *annual deduction*, if a person who did not pay and was not liable to pay taxable wages or interstate wages for any part of a financial year satisfies the commissioner that, by reason of the nature of the person's trade or business, the taxable wages and interstate wages (if any) paid or payable by the person fluctuate with different periods of the financial year, the commissioner may treat the person—
  - (a) if the person has conducted that trade or business in Australia during the whole of the financial year—as an employer throughout the financial year; or
  - (b) if the person has conducted that trade or business in Australia during part only of the financial year—as an employer during that lastmentioned part of the financial year.
- (3) However, if the person lodged, or was required under section 64 to lodge, 1 or more final returns during the year, subsection (2) can apply in relation to the person only if the person did not pay, and was not liable to pay, taxable wages or interstate wages for a part of the year after the end of the last final period.
- (4) Also, the commissioner may treat the person, under subsection (2), as an employer only during the part of the year after the end of the last final period.



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### 30 Amount of annual liability

- (1) The employer's liability (*annual liability*) for payroll tax for a financial year is—
  - (a) the employer's annual adjustment amount for the year, if—
    - (i) the employer lodged, or was required under section 59 to lodge, a periodic return during the year; and
    - (ii) the employer's annual payroll tax amount for the year is greater than the employer's periodic liability for periodic return periods in the year; or
  - (b) the employer's annual payroll tax amount for the year, if the employer was not required under section 59 to lodge a periodic return during the year.

*Example for paragraph (b)—*

The amount of an employer's annual liability would be the annual payroll tax amount if the employer was exempt, under a certificate issued by the commissioner under section 62, from lodging periodic returns during the financial year.

- (2) However, if the employer lodged, or was required under section 64 to lodge, 1 or more final returns during the financial year, for working out the employer's annual liability—
  - (a) taxable wages and interstate wages (*final return wages*) paid or payable by the employer for a final period during the year are not included in the employer's wages for the year; and
  - (b) the periodic liability amount for the employer for a final period during the year (*final return liability*) is not included in the employer's periodic liability for periodic return periods in the year; and
  - (c) the employer's annual deduction must be worked out without having regard to the days in a final period during the year.
- (3) Subsection (2) does not apply in relation to a final period during the year if—

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- (a) the commissioner makes an original assessment of the employer's annual liability, other than under the Administration Act, section 14(a); and
- (b) the employer is not a group member on 30 June in the year; and
- (c) the employer was not a group member during the final period; and
- (d) the employer's annual liability would be greater if the final return wages and final return liability for the final period were not included.

*Editor's note—*

See also section 78 (Reassessment—annual liability of non-group employer who has lodged a final return).

- (4) If the commissioner includes final return wages and final return liability under subsection (3) for working out the employer's annual liability, the annual deduction for the employer for the financial year must be worked out having regard to the days in a final period mentioned in subsection (3).

*Note 1—*

Under section 30(1)(a) of the Administration Act, an employer's annual liability for a financial year must be paid on the date the employer is required to lodge an annual return for the financial year.

*Note 2—*

An employer may be required, under the Administration Act, to include assessed interest or penalty tax in an assessment of annual liability.

### **31 Entitlement to annual refund amount**

- (1) This section applies if the employer's periodic liability for periodic return periods in a financial year is greater than the employer's annual payroll tax amount for the year.
- (2) The employer is entitled to a refund of the amount (the *annual refund amount*) of the difference between the periodic liability and the annual payroll tax amount.
- (3) Subsection (2) is subject to section 83.

- (4) However, the employer is not entitled to a refund of the amount more than 5 years after the making of the assessment of the employer's annual liability for the year.
- (5) This section does not apply in relation to a reassessment of the employer's annual liability.

*Note—*

Entitlement to refunds on reassessments is provided for in the Administration Act, part 4, division 2.

## Subdivision 2 DGE for a group

### 32 Application of sdiv 2

This subdivision applies to an employer who, on 30 June in a financial year, is the DGE for a group.

### 33 Definitions for sdiv 2

In this subdivision—

**annual adjustment amount**, for the DGE for a financial year, means the difference between—

- (a) the DGE's annual payroll tax amount for the year; and
- (b) the DGE's periodic liability for periodic return periods in the designated period for the DGE in the year.

**annual deduction**, for the DGE for a financial year, means the greater of zero and the amount worked out using the following formula—

$$AD = \frac{TW}{TW + IW} \left( \frac{K(A+B)}{C} - \frac{1}{4} \left( TW + IW - \frac{K(A+B)}{C} \right) \right)$$

where—

**A** means the number of days in the designated period for the DGE—

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- (a) that are in the part of the year starting on 1 July and ending on 31 December, whether or not wholly or partly concurrent; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages or taxable wages and interstate wages.

**AD** means the annual deduction in dollars.

**B** means the number of days in the designated period—

- (a) that are in the part of the year starting on 1 January and ending on 30 June, whether or not wholly or partly concurrent; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages or taxable wages and interstate wages.

**C** means the number of days in the year.

**TW** means the amount of interstate wages paid or payable for the designated period by each relevant group employer as a member of the group.

**K** means 1000000.

**TW** means the amount of taxable wages paid or payable for the designated period by each relevant group employer as a member of the group.

**annual payroll tax amount** for the DGE for a financial year, means—

- (a) if the DGE's annual deduction for the year is greater than the DGE's annual wages for the year—zero; or
- (b) if paragraph (a) does not apply—the amount worked out by applying the appropriate rate of payroll tax to the DGE's annual wages for the year less the DGE's annual deduction for the year.

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*annual wages*, for the DGE for a financial year, means the total taxable wages paid or payable by the DGE during the designated period for the DGE in the year.

*relevant group employer*, for the designated period for the DGE in a financial year, means an employer who was a member of the group for all or part of the period.

### **34 Amount of DGE's annual liability**

- (1) The DGE's liability (*annual liability*) for payroll tax for a financial year is—
  - (a) the DGE's annual adjustment amount for the year, if—
    - (i) the DGE lodged, or was required under section 59 to lodge, a periodic return during the designated period for the DGE in the year; and
    - (ii) the DGE's annual payroll tax amount for the year is greater than the DGE's periodic liability for periodic return periods in the designated period; or
  - (b) the DGE's annual payroll tax amount for the year, if the DGE was not required under section 59 to lodge a periodic return during the designated period for the DGE in the year.

*Example—*

A group member is the DGE from 1 January to 30 June in a financial year. The DGE's annual liability for the year would be worked out without having regard to the part of the financial year before 1 January.

- (2) If the DGE does not pay the DGE's annual liability for the financial year on the return date for lodgement of the DGE's annual return, every relevant group employer for the designated period is liable jointly and severally to pay the amount of the liability.

*Note 1—*

Under section 30(1)(a) of the Administration Act, a DGE's annual liability for a financial year must be paid on the date the DGE is required to lodge an annual return for the financial year.

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*Note 2—*

A DGE may be required, under the Administration Act, to include assessed interest or penalty tax in an assessment of annual liability.

### **35 Entitlement to annual refund amount**

- (1) This section applies if the DGE's periodic liability for periodic return periods in the designated period for the DGE in a financial year is greater than the DGE's annual payroll tax amount for the year.
- (2) The DGE is entitled to a refund of the amount (the *annual refund amount*) of the difference between the periodic liability and the annual payroll tax amount.
- (3) Subsection (2) is subject to section 83.
- (4) However, the DGE is not entitled to a refund of the amount more than 5 years after the making of the assessment of the DGE's annual liability for the year.
- (5) This section does not apply in relation to a reassessment of the DGE's annual liability.

*Note—*

Entitlement to refunds on reassessments is provided for in the Administration Act, part 4, division 2.

## **Subdivision 3 Rebate**

### **35A Rebate for annual payroll tax amount**

- (1) This section applies if—
  - (a) wages are paid or payable during the financial year ending 30 June 2010 by an employer, or a DGE for a group, to a person who is an apprentice or trainee under the *Vocational Education, Training and Employment Act 2000*; and
  - (b) the wages are not taxable wages under section 14(2)(j).

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- (2) The employer's, or DGE's, annual payroll tax amount for the financial year is reduced by the amount of the rebate.
  - (3) However, if the employer or DGE lodged under section 64, or was required under that section to lodge, one or more final returns during the financial year, the amount of the wages mentioned in subsection (1) paid or payable for a final period during the year are not to be included in working out the amount of the rebate.
  - (4) In this section—

*rebate* means the lesser of the following amounts—

- (a) the amount worked out using the following formula—

$$T \times \frac{W}{4}$$

where—

*T* means the appropriate rate of payroll tax.

*W* means the amount of the wages mentioned in subsection (1);

- (b) the employer's, or DGE's, annual payroll tax amount for the financial year.

## **Division 5            Final liability**

### **Subdivision 1        Employer other than the DGE for a group**

#### **36        Application of sdiv 1**

This subdivision applies to an employer who—

- (a) is required under section 64 to lodge a final return for a final period; and
- (b) is not the DGE for a group on the last day of the final period.

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*Editor's note—*

For provisions about a DGE's final liability, see subdivision 2.

### **37 Definitions for sdiv 1**

In this subdivision—

***final adjustment amount***, for the employer for a final period, means the difference between—

- (a) the employer's final payroll tax amount for the period; and
- (b) the employer's periodic liability amount for the final period.

***final deduction***, for the employer for a final period, means the greater of zero and the amount worked out using the following formula—

$$FD = \frac{FW}{FW + IW} \left( \frac{K(A+B)}{C} - \frac{1}{4} \left( FW + IW - \frac{K(A+B)}{C} \right) \right)$$

where—

***A*** means the number of days in the part of the final period starting on 1 July and ending on 31 December for which the employer pays, or is liable to pay, wages.

***B*** means the number of days in the part of the final period starting on 1 January and ending on 30 June for which the employer pays, or is liable to pay, wages.

***C*** means—

- (a) if the final period is within a financial year that includes 29 February—366; or
- (b) otherwise—365.

***FD*** means the final deduction in dollars.

***FW*** means the employer's final wages for the period.

***IW*** means the amount of interstate wages paid or payable in the period.



**K** means 1000000.

**final payroll tax amount**, for the employer for a final period, means—

- (a) if the employer is not a group member on the last day of the period and the employer's final deduction for the period is greater than the employer's final wages for the period—zero; or
- (b) if the employer is not a group member on the last day of the period and paragraph (a) does not apply—the amount worked out by applying the appropriate rate of payroll tax to the employer's final wages for the period less the employer's final deduction for the period; or
- (c) if the employer is a group member on the last day of the period—the amount worked out by applying the appropriate rate of payroll tax to the employer's final wages for the period.

**final wages**, for the employer for a final period, means the total taxable wages paid or payable by the employer during the period.

**wages** does not include foreign wages.

### **38 Amount of final liability**

- (1) The employer's liability (**final liability**) for payroll tax for a final period is—
  - (a) the employer's final adjustment amount for the period, if—
    - (i) either—
      - (A) the employer lodged, or was required under section 59 to lodge, a periodic return during the period; or
      - (B) after the last day of the final period, the employer will be required under section 59 to lodge a periodic return for a periodic

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return period that is wholly or partly within the final period; and

- (ii) the employer's final payroll tax amount for the period is greater than the employer's periodic liability amount for the final period; or
- (b) the employer's final payroll tax amount for the period, if—
- (i) the employer was not required under section 59 to lodge a periodic return during the period; and
  - (ii) paragraph (a) does not apply.

*Example for paragraph (b)—*

The amount of an employer's final liability would be the final payroll tax amount if the employer was exempt, under a certificate issued by the commissioner under section 62, from lodging periodic returns during the final period.

- (2) However, subsection (3) applies if—
- (a) the employer did not pay and was not liable to pay taxable wages or interstate wages for any part of the final period; and
  - (b) the employer satisfies the commissioner that, because of the nature of the employer's trade or business, the taxable wages and interstate wages, if any, paid or payable by the employer fluctuate with different periods of the financial year.
- (3) If this subsection applies, for working out the employer's final liability for the final period, the commissioner may treat the employer—
- (a) if the employer has conducted the employer's trade or business in Australia during the whole of the final period—as an employer throughout the final period; or
  - (b) if the employer has conducted the employer's trade or business in Australia during part only of the final period—as an employer during that part of the final period.

*Note 1—*

Under section 30(1)(a) of the Administration Act, an employer's final liability for a final period must be paid on the date the employer is required to lodge a final return for the final period.

*Note 2—*

An employer may be required, under the Administration Act, to include assessed interest or penalty tax in an assessment of final liability.

### **39 Entitlement to final refund amount**

- (1) This section applies if the employer's periodic liability amount for a final period is greater than the employer's final payroll tax amount for the period.
- (2) The employer is entitled to a refund of the amount (the *final refund amount*) of the difference between the periodic liability amount and the final payroll tax amount.
- (3) Subsection (2) is subject to section 83.
- (4) However, the employer is not entitled to a refund of the amount more than 5 years after the making of the assessment of the employer's final liability for the period.
- (5) This section does not apply in relation to a reassessment of the employer's final liability.

*Note—*

Entitlement to refunds on reassessments is provided for in the Administration Act, part 4, division 2.

## **Subdivision 2 DGE for a group**

### **40 Application of sdiv 2**

This subdivision applies to an employer who is the DGE for a group on the last day of a final period.

### **41 Definitions for sdiv 2**

In this subdivision—

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**final adjustment amount**, for the DGE for a final period, means the difference between—

- (a) the DGE's final payroll tax amount for the period; and
- (b) the DGE's periodic liability amount for the final period.

**final deduction**, for the DGE for a final period, means the greater of zero and the amount worked out using the following formula—

$$FD = \frac{TW}{TW + IW} \left( \frac{K(A+B)}{C} - \frac{1}{4} \left( TW + IW - \frac{K(A+B)}{C} \right) \right)$$

where—

**A** means the number of days—

- (a) that are in the part of the final period starting on 1 July and ending on 31 December; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages or taxable wages and interstate wages.

**B** means the number of days—

- (a) that are in the part of the final period starting on 1 January and ending on 30 June; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages or taxable wages and interstate wages.

**C** means—

- (a) if the final period is within a financial year that includes 29 February—366; or
- (b) otherwise—365.

**FD** means the final deduction in dollars.

**IW** means the amount of interstate wages paid or payable for the final period by each relevant group employer as a member of the group.

***K*** means 1000000.

***TW*** means the amount of taxable wages paid or payable for the final period by each relevant group employer as a member of the group.

***final payroll tax amount***, for the DGE for a final period, means—

- (a) if the DGE's final deduction for the period is greater than the DGE's final wages for the period—zero; or
- (b) if paragraph (a) does not apply—the amount worked out by applying the appropriate rate of payroll tax to the DGE's final wages for the period less the DGE's final deduction for the period.

***final wages***, for the DGE for a final period, means the total taxable wages paid or payable by the DGE during the period.

***relevant group employer***, for a final period for the DGE, means an employer who was a member of the group for all or part of the period.

## **42 Amount of DGE's final liability**

- (1) The DGE's liability (***final liability***) for payroll tax for a final period is—
  - (a) the DGE's final adjustment amount for the period, if—
    - (i) either—
      - (A) the DGE lodged, or was required under section 59 to lodge, a periodic return during the period; or
      - (B) after the last day of the final period, the DGE will be required under section 59 to lodge a periodic return for a periodic return period that is wholly or partly within the final period; and
    - (ii) the DGE's final payroll tax amount for the period is greater than the DGE's periodic liability amount for the period; or

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- (b) the DGE's final payroll tax amount for the period, if—
  - (i) the DGE was not required under section 59 to lodge a periodic return during the period; and
  - (ii) paragraph (a) does not apply.
- (2) If the DGE does not pay the DGE's final liability for the period on the return date for lodgement of the DGE's final return, every relevant group employer for the period is liable jointly and severally to pay the amount of the liability.

*Note 1—*

Under section 30(1)(a) of the Administration Act, a DGE's final liability for a final period must be paid on the date the DGE is required to lodge a final return for the final period.

*Note 2—*

A DGE may be required, under the Administration Act, to include assessed interest or penalty tax in an assessment of final liability.

### **43 Entitlement to final refund amount**

- (1) This section applies if the DGE's periodic liability amount for a final period is greater than the DGE's final payroll tax amount for the period.
- (2) The DGE is entitled to a refund of the amount (the *final refund amount*) of the difference between the periodic liability amount and the final payroll tax amount.
- (3) Subsection (2) is subject to section 83.
- (4) However, the DGE is not entitled to a refund of the amount more than 5 years after the making of the assessment of the DGE's final liability for the period.
- (5) This section does not apply in relation to a reassessment of the DGE's final liability.

*Note—*

Entitlement to refunds on reassessments is provided for in the Administration Act, part 4, division 2.

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## Subdivision 3      Rebate

### 43A      Rebate for final payroll tax amount

- (1) This section applies if—
  - (a) wages are paid or payable during a final period in the financial year ending 30 June 2010 by an employer, or a DGE for a group, to a person who is an apprentice or trainee under the *Vocational Education, Training and Employment Act 2000*; and
  - (b) the wages are not taxable wages under section 14(2)(j).
- (2) The employer's, or DGE's, final payroll tax amount for the final period is reduced by the amount of the rebate.

- (3) In this section—

*rebate* means the lesser of the following amounts—

- (a) the amount worked out using the following formula—

$$T \times \frac{W}{4}$$

where—

*T* means the appropriate rate of payroll tax.

*W* means the amount of the wages mentioned in subsection (1);

- (b) the employer's, or DGE's, final payroll tax amount for the final period.

## Division 6                      Sharing of excess deduction by group members

### 44      Definitions for div 6

In this division—

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***entitled group member***, for an excess deduction, means a non-DGE group member who—

- (a) is nominated by the DGE for the group under section 46, or determined by the commissioner under section 47, as a group member to share in the excess deduction; and
- (b) if the excess deduction is shared by the entitled group members at the end of the relevant financial year under section 48—is a member of the group on 30 June in the year and has an annual liability for the year.

***order of entitled group members*** means the order in which entitled group members are to share in an excess deduction under a nomination made by the DGE for the group under section 46, or a determination made by the commissioner under section 47, for the assessment of the DGE's annual liability or final liability.

***relevant financial year***, for an excess deduction, means—

- (a) if the excess deduction relates to an assessment of annual liability of the DGE for the group—the financial year to which the assessment relates; or
- (b) if the excess deduction relates to an assessment of final liability of the DGE for the group—the financial year that includes the final period to which the assessment relates.

#### **45 Meaning of *excess deduction***

- (1) Subsection (2) applies—
  - (a) for an assessment of the annual liability of the DGE for a group, if the DGE's annual deduction for the financial year is greater than the DGE's annual wages for the year; or
  - (b) for an assessment of the final liability of the DGE for a group, if the DGE's final deduction for the final period is greater than the DGE's final wages for the period.



- 
- (2) The amount of the difference is the *excess deduction* for the assessment.
  - (3) In this section—
    - annual deduction* see section 33.
    - annual wages* see section 33.
    - final deduction* see section 41.
    - final wages* see section 41.

**46 Nomination by DGE of group members to share in excess deduction**

The DGE for a group may nominate, in an annual return or final return—

- (a) 1 or more group members to share in any excess deduction for the assessment of the DGE's annual liability or final liability; and
- (b) the order in which the members are to share in the excess deduction.

**47 Determination by commissioner of group members to share in excess deduction**

- (1) This section applies, for an assessment of annual liability or final liability of the DGE for a group, if—
  - (a) the DGE does not make a nomination under section 46; and
  - (b) there is an excess deduction.
- (2) The commissioner may make a determination of—
  - (a) 1 or more non-DGE group members to share in the excess deduction; and
  - (b) the order in which the members are to share in the excess deduction.

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- (3) The determination may apply in relation to an assessment of the DGE's annual liability or final liability made before or after the determination is made.

#### **48 Sharing of excess deduction by entitled group members at end of financial year**

- (1) This section applies if—
- (a) there is an excess deduction for an assessment of the annual liability or final liability of the DGE for a group; and
  - (b) if the excess deduction is for an assessment of the DGE's final liability—at least 1 member of the group continues to pay, or be liable to pay, wages as a member of the group for the period—
    - (i) starting on the day the DGE's change of status happens; and
    - (ii) ending on 30 June in the relevant financial year.
- (2) An entitled group member for the excess deduction is, after the end of the relevant financial year, entitled to the following share of the excess deduction—
- (a) if the member is first in the order of entitled group members—the lesser of the following amounts—
    - (i) the excess deduction;
    - (ii) the member's annual wages for the year;
  - (b) for another entitled group member, the lesser of the following amounts—
    - (i) so much of the excess deduction remaining after the preceding entitled group member in the order of entitled group members has received the preceding member's share;
    - (ii) the member's annual wages for the year.
- (3) The commissioner must make an assessment or reassessment of an entitled group member's annual liability for the year.

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- (4) An assessment or reassessment mentioned in subsection (3) must be made on the basis that, for part 2, division 4, subdivision 1, the member's *annual payroll tax amount* for the year is the amount worked out by applying the appropriate rate of payroll tax to the member's annual wages for the year less the member's share of the excess deduction under subsection (2).
- (5) In this section—  
*annual wages* see section 29(1).

**49 Sharing of excess deduction by entitled group members on group ceasing to exist**

- (1) This section applies if—
- (a) there is an excess deduction for an assessment of final liability of the DGE for a group; and
  - (b) all members of the group cease to pay, or be liable to pay, wages as members of the group before 30 June in the relevant financial year.
- (2) An entitled group member for the excess deduction is, after all group members have ceased to pay, or be liable to pay, wages as members of the group, entitled to the following share of the excess deduction—
- (a) if the member is first in the order of entitled group members—the lesser of the following amounts—
    - (i) the excess deduction;
    - (ii) the member's final wages for the relevant final period; or
  - (b) for another entitled group member, the lesser of the following amounts—
    - (i) so much of the excess deduction remaining after the preceding entitled group member in the order of entitled group members has received the preceding member's share;

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- (ii) the member's final wages for the relevant final period.
- (3) The commissioner must make an assessment or reassessment of an entitled group member's final liability for the relevant final period.
- (4) An assessment or reassessment mentioned in subsection (3) must be made on the basis that, for part 2, division 5, subdivision 1, the member's *final payroll tax amount* for the relevant final period is the amount worked out by applying the appropriate rate of payroll tax to the member's final wages for the period less the member's share of the excess deduction under subsection (2).
- (5) In this section—  
*final wages* see section 37.

*relevant final period*, for an entitled group member, means the final period for the change of status of the member happening at the time the member ceases to pay, or be liable to pay, wages as a member of the group.

## **Division 6A                      Sharing of excess rebate by group members**

### **49A      Definitions for div 6A**

In this division—

*entitled group member*, for an excess rebate, means a group member who—

- (a) is nominated by the DGE for the group under section 49C, or determined by the commissioner under section 49D, as a group member to share in the excess rebate; and
- (b) if the excess rebate is shared by the entitled group members at the end of the relevant financial year under section 49E—is a member of the group on 30 June in the year and has an annual liability for the year.

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*order of entitled group members* means the order in which entitled group members are to share in an excess rebate under a nomination made by the DGE for the group under section 49C, or a determination made by the commissioner under section 49D, for an assessment of the annual liability or final liability relating to the relevant financial year of a member of the group.

*relevant financial year* means the financial year ending 30 June 2010.

#### **49B Meaning of *excess rebate***

- (1) Subsection (2) applies—
  - (a) for an assessment of the annual liability relating to the relevant financial year of a non-DGE group member, if the relevant annual amount for the member for the year is greater than the member's annual payroll tax amount for the year; or
  - (b) for an assessment of the annual liability relating to the relevant financial year of a DGE, if the relevant annual amount for the DGE for the year is greater than the DGE's annual payroll tax amount for the year; or
  - (c) for an assessment of the final liability relating to the relevant financial year of a non-DGE group member, if the relevant final amount for the member for the final period is greater than the member's final payroll tax amount; or
  - (d) for an assessment of the final liability relating to the relevant financial year of a DGE, if the relevant final amount for the DGE for the final period is greater than the DGE's final payroll tax amount.
- (2) The amount of the difference is the *excess rebate* for the assessment.
- (3) In this section—

*annual payroll tax amount*, for a DGE, see section 33.

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*annual payroll tax amount*, for a non-DGE group member, see section 29(1).

*final payroll tax amount*, for a DGE, see section 41.

*final payroll tax amount*, for a non-DGE group member, see section 37.

*relevant annual amount* means the amount worked out under section 35A(4), definition *rebate*, paragraph (a).

*relevant final amount* means the amount worked out under section 43A(3), definition *rebate*, paragraph (a).

#### **49C Nomination by DGE of group members to share in excess rebate**

The DGE for a group may nominate, in an annual return or final return—

- (a) 1 or more group members, including the DGE, to share in any excess rebate for the assessment of a group member's annual liability or final liability relating to the relevant financial year; and
- (b) the order in which the members are to share in the excess rebate.

#### **49D Determination by commissioner of group members to share in excess rebate**

- (1) This section applies, for an assessment of annual liability or final liability relating to the relevant financial year of a group member (the *first member*), if—
  - (a) the DGE for the group does not make a nomination under section 49C; and
  - (b) there is an excess rebate.
- (2) The commissioner may make a determination of—
  - (a) 1 or more group members to share in the excess rebate; and

- (b) the order in which the members are to share in the excess rebate.
- (3) The determination may apply in relation to an assessment of the first member's annual liability or final liability relating to the relevant financial year made before or after the determination is made.

**49E Sharing of excess rebate by entitled group members at end of relevant financial year**

- (1) This section applies if—
  - (a) there is an excess rebate for an assessment of the annual liability or final liability relating to the relevant financial year of a group member; and
  - (b) if the excess rebate is for an assessment of the member's final liability—at least one other member of the group continues to pay, or be liable to pay, wages as a group member for the period—
    - (i) starting on the day the member's change of status happens; and
    - (ii) ending on 30 June in the relevant financial year.
- (2) An entitled group member for the excess rebate is, after the end of the relevant financial year, entitled to the following share of the excess rebate—
  - (a) if the member is first in the order of entitled group members, the lesser of the following amounts—
    - (i) the excess rebate;
    - (ii) the member's annual payroll tax amount relating to the relevant financial year;
  - (b) for another entitled group member, the lesser of the following amounts—
    - (i) so much of the excess rebate remaining after the preceding entitled group member in the order of entitled group members has received the preceding member's share;

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- (ii) the member's annual payroll tax amount relating to the relevant financial year.
- (3) The commissioner must make an assessment or reassessment of an entitled group member's annual liability for the year.
- (4) An assessment or reassessment mentioned in subsection (3) must be made on the basis that, for part 2, division 4, subdivision 1 or 2, the member's annual payroll tax amount for the year is the amount worked out by applying the appropriate rate of payroll tax to the member's annual wages for the year less the member's share of the excess rebate under subsection (2).
- (5) In this section—  
*annual wages* see section 29(1) or 33.

**49F Sharing of excess rebate by entitled group members on group ceasing to exist**

- (1) This section applies if—
  - (a) there is an excess rebate for an assessment of final liability relating to the relevant financial year of a group member; and
  - (b) all members of the group cease to pay, or be liable to pay, wages as members of the group before 30 June in the relevant financial year.
- (2) An entitled group member for the excess rebate is, after all group members have ceased to pay, or be liable to pay, wages as members of the group, entitled to the following share of the excess rebate—
  - (a) if the member is first in the order of entitled group members, the lesser of the following amounts—
    - (i) the excess rebate;
    - (ii) the member's final payroll tax amount for the relevant final period relating to the relevant financial year; or



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- (b) for another entitled group member, the lesser of the following amounts—
- (i) so much of the excess rebate remaining after the preceding entitled group member in the order of entitled group members has received the preceding member's share;
  - (ii) the member's final payroll tax amount for the relevant final period relating to the relevant financial year.
- (3) The commissioner must make an assessment or reassessment of an entitled group member's final liability for the relevant final period.
- (4) An assessment or reassessment mentioned in subsection (3) must be made on the basis that, for part 2, division 5, subdivision 1 or 2, the member's final payroll tax amount for the relevant final period is the amount worked out by applying the appropriate rate of payroll tax to the member's final wages for the period less the member's share of the excess rebate under subsection (2).
- (5) In this section—

*final wages* see section 37 or 41.

*relevant final period*, for an entitled group member, means the final period for the change of status of the member happening at the time the member ceases to pay, or be liable to pay, wages as a member of the group.

## **Division 7                      Avoidance arrangements**

### **50            Arrangements for avoidance of tax may be disregarded**

- (1) Where any person enters into any agreement, transaction, or arrangement, whether in writing or otherwise, whereby a natural person performs or renders, for or on behalf of another person, services in respect of which any payment is made to some other person related or connected to the natural person

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performing or rendering the services and the effect of such agreement, transaction or arrangement is to reduce or avoid the liability of any person to the assessment, imposition or payment of payroll tax, the commissioner may—

- (a) disregard such agreement, transaction, or arrangement; and
  - (b) determine that any party to such agreement, transaction or arrangement shall be deemed to be an employer for the purposes of this Act; and
  - (c) determine that any payment made in respect of such agreement, transaction or arrangement shall be deemed to be wages for the purposes of this Act.
- (2) Where the commissioner makes a determination under subsection (1), the commissioner shall serve a notice to that effect on the person deemed to be an employer for the purposes of this Act and shall set out in the notice the facts on which the commissioner relies and the commissioner's reasons for making the determination.

*Note—*

See also sections 13L and 13LA for particular provisions about avoidance arrangements relating to employment agency contracts.

## **Division 8                      Miscellaneous provisions**

### **51            Wages paid by or to third parties**

- (1) Subsection (2) applies if money or other consideration—
- (a) for an employee's services as an employee of an employer, is paid or given or to be paid or given—
    - (i) to the employee, by a person other than the employer; or
    - (ii) to a person other than the employee, by the employer; or

- (iii) to a person other than the employee, by a person other than the employer; and
- (b) had it been paid or given, or to be paid or given, directly by the employer to the employee, would be wages paid or payable by the employer to the employee for this Act.

*Example of other consideration—*

the grant of a share or option

- (2) The money or other consideration is taken to be wages paid or payable by the employer to the employee.
- (3) Subsection (4) applies if money or other consideration—
  - (a) by way of remuneration for the appointment or services of a director of a company to the company, is paid or given or to be paid or given—
    - (i) to the director by a person other than the company; or
    - (ii) to a person other than the director by the company; or
    - (iii) to a person other than the director by a person other than the company; and
  - (b) had it been paid or given, or to be paid or given, directly by the company to the director, would comprise wages paid or payable by the company for this Act.

*Example of other consideration—*

the grant of a share or option

- (4) The money or other consideration is taken to be wages paid or payable by the company to the director.
- (5) In this section—

**director** of a company includes—

  - (a) a person who, under a contract or other arrangement, is to be appointed as a director of the company; and
  - (b) a former director of the company.

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### **51A Joint and several liability of group members**

- (1) This section applies if a member of a group fails to pay an amount the member is required to pay under this Act in respect of a period.
- (2) Every member of the group is liable jointly and severally to pay the amount, whether or not the member was an employer during the period to which the amount relates.
- (3) This section is subject to sections 34(2) and 42(2).

## **Part 3 Registration and returns**

### **Division 1 Registration**

#### **52 Meaning of *criteria for registration***

For this division, the *criteria for registration* are that, during a month, an employer pays, or is liable to pay, taxable wages and the employer—

- (a) pays, or is liable to pay, wages anywhere of more than \$19230 a week; or
- (b) is a group member.

#### **53 Application for registration**

- (1) An employer who is not already registered as an employer under this division and who meets the criteria for registration must, within 7 days after the end of the month during which the employer meets the criteria, give the commissioner an application for registration as an employer.

Maximum penalty—100 penalty units.

- (2) The application must be made in the approved form.
- (3) If—

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- (a) the commissioner cancels the registration of a person as an employer in a financial year; and
  - (b) the person subsequently pays or is liable to pay taxable wages (otherwise than as a member of a group) during the financial year;

the person may give the commissioner an application, in the approved form, for registration as an employer, even though the person is not required under subsection (1) to apply for registration as an employer.

- (4) If an employer applies under subsection (1) or (3) for registration as an employer, the commissioner must register the employer.

#### **54 Registration of employer without application**

The commissioner may, by written notice given to a person who meets the criteria for registration, register the person as an employer.

#### **55 Notice of registration**

- (1) On registration of a person as an employer, the commissioner must give written notice to the person of the registration.
- (2) The notice must state each of the following—
  - (a) the date of registration;
  - (b) the types of reassessments the employer is required or permitted to make;
  - (c) whether the employer is permitted to remit the whole or part of unpaid tax interest or penalty tax.

#### **56 Amendment of registration**

- (1) The commissioner may amend an employer's registration by written notice given to the employer.
- (2) The notice must state the particulars of the employer's notice of registration that are amended.

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## **57 Cancellation of registration**

- (1) The commissioner must cancel the registration of a person as an employer if—
  - (a) the person has—
    - (i) ceased to be an employer; and
    - (ii) lodged a final return and paid the person's final liability, if any, for the final period; or
  - (b) each of the following applies—
    - (i) the person is not a group member;
    - (ii) the person has lodged an annual return and paid the person's annual liability, if any, for a financial year;
    - (iii) before lodging the annual return, the person ceased to be an employer paying, or being liable to pay, wages mentioned in section 52(a);
    - (iv) the commissioner is satisfied the person will not pay, or be liable to pay, wages mentioned in section 52(a) during the next financial year.
- (2) If the commissioner cancels the registration of a person as an employer, the commissioner must give written notice of the cancellation to the person.

## **Division 2 Returns**

### **58 Definition for div 2**

In this division—

*relevant employer* means an employer who is—

- (a) registered as an employer under division 1; or
- (b) required to apply for registration as an employer under division 1.

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## 59 Periodic returns

- (1) A relevant employer must, not later than 7 days after the last day of each periodic return period for all or part of which the employer is a relevant employer, lodge a return for taxable wages paid or payable by the employer for the period.

*Note—*

Failure to lodge a periodic return is an offence under section 121 of the Administration Act.

- (1A) Subsection (1) does not apply for the last periodic return period of a financial year for the employer.
- (2) However, if the commissioner considers it would be unduly onerous to require the employer to lodge periodic returns within the 7 day period required under subsection (1), the commissioner may, by written notice, vary the time within which the employer is required to lodge returns under this section.
- (3) The commissioner may revoke a notice given under subsection (2) at any time by written notice.
- (4) The return must—
  - (a) be in the approved form; and
  - (b) state the employer's periodic liability for the periodic return period.
- (5) This section is subject to sections 60 to 62.

*Note—*

Lodgement of an annual return or final return does not, of itself, affect a relevant employer's obligation to lodge periodic returns.

## 60 Duration of periodic return period

- (1) Subject to subsection (2), a periodic return period is the period—
  - (a) starting on the first day of a month; and
  - (b) ending on the last day of the month.

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- (2) However, if the commissioner considers it would be unduly onerous to require the employer to lodge periodic returns for each month, the commissioner may, by written notice, authorise the employer to lodge periodic returns for the periods stated in the notice.
- (3) A period stated in the notice must be less than 1 year.
- (4) The commissioner may revoke a notice given under subsection (2) at any time by written notice.

## **61 Deemed lodgement of periodic return—payment by electronic transfer of funds**

- (1) This section applies if—
  - (a) an amount of payroll tax may be or is required to be, under the Administration Act, section 29 or 29A, paid by the electronic transfer of funds; and
  - (b) an employer makes a payment of periodic liability for a periodic return period by an electronic transfer of funds as required under that Act; and
  - (c) using an approved information system, the employer gives the commissioner a breakdown of the payment between primary tax and assessed interest.
- (2) The employer is taken to have lodged a periodic return for the periodic return period to which the payment relates.
- (3) The amount of the payment is, for the Administration Act, section 14(a), taken to be the amount of the employer's periodic liability stated in the return.
- (4) However, if the employer makes more than 1 payment for a periodic return period by the electronic transfer of funds, subsections (2) and (3) apply only to the first payment made by the employer for the period.
- (5) In this section—

*primary tax* see the Administration Act, schedule 2.



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## **62 Exemption from requirement to lodge periodic returns**

- (1) If the commissioner considers that no tax will be payable by a relevant employer or, if paid, would be refunded, the commissioner may issue a certificate to the employer exempting the employer from the requirement under section 59 to lodge periodic returns.
- (2) An employer to whom a certificate is issued under subsection (1) is not required to lodge periodic returns.

*Note—*

An employer who is not required to lodge periodic returns is subject to a notification requirement under section 87 and is not exempt from the requirement to lodge an annual return or final return.

- (3) A certificate issued under subsection (1) may be either unconditional or subject to such conditions as are prescribed or as the commissioner thinks fit.
- (4) The commissioner may, at any time by notice in writing, revoke any certificate issued under subsection (1).
- (5) The issue of a certificate under subsection (1) shall not exempt an employer from the payment of any payroll tax, notwithstanding that it may have the effect of postponing the time for payment of any payroll tax.

## **63 Annual return**

- (1) This section applies to an employer who is a relevant employer on 30 June in a financial year.
- (2) The employer must, not later than 21 July immediately after the end of the year, lodge a return for taxable wages paid or payable by the employer for the year.

*Note—*

Failure to lodge an annual return is an offence under section 121 of the Administration Act.

- (3) The return must—
  - (a) be in the approved form; and
  - (b) state—

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- (i) if the employer is the DGE for a group—the wages that were paid or payable during the designated period for the DGE in the year, as a member of the group, by each employer who was a member of the group for all or part of the designated period; or
  - (ii) for another employer, the wages that were paid or payable during the year by the employer, other than wages that were included, or required to be included, in a final return for a final period for the employer during the year; and
- (c) state the employer's annual liability or annual refund amount for the year.
- (4) Despite subsection (2), an employer is not required to lodge an annual return for a financial year if the employer—
  - (a) lodged, or was required under section 64 to lodge, a final return during the year; and
  - (b) did not pay, and was not liable to pay, taxable wages during the financial year after the last day of the final period for which the final return was lodged or required to be lodged.

*Note—*

Lodgement of a final return does not, of itself, affect a relevant employer's obligation to lodge an annual return.

## **64 Final return**

- (1) This section applies if, during a financial year, a change of status happens for a relevant employer.
- (2) The employer must, not later than 21 days after the change of status happens, lodge a return for taxable wages paid or payable by the employer for the final period for the change of status.

*Note—*

Failure to lodge a final return is an offence under section 121 of the Administration Act.

- 
- (3) The return must—
- (a) be in the approved form; and
  - (b) state—
    - (i) if the employer is the DGE for a group—the wages that were paid or payable during the period, as a member of the group, by each employer who was a member of the group for all or part of the period; or
    - (ii) for another employer, the wages that were paid or payable during the period by the employer; and
  - (c) state the employer's final liability or final refund amount for the period.

## 65 Further returns

The commissioner may, by notice in writing, call upon any employer or person to lodge, within the time specified in the notice, such return or such further or fuller return, as the commissioner requires, whether on the employer's or person's own behalf or as an agent or a trustee.

# Part 4 Grouping provisions

## Division 1 Interpretation

### 66 Definitions for pt 4

In this part—

*business* includes any of the following, whether carried on by 1 person or 2 or more persons together—

- (a) a profession or trade;
- (b) any other activity carried on for fee, gain or reward;

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- (c) the activity of employing 1 or more persons who perform duties in connection with another business;
- (d) the carrying on of a trust, including a dormant trust;
- (e) the activity of holding money or property used in connection with another business.

*related body corporate* see the Corporations Act, section 9.

## **67 Grouping provisions to operate independently**

The fact that a person is not a member of a group constituted under a provision of this part does not prevent the person being a member of a group constituted under another provision of this part.

## **Division 2 Business groups**

### **68 Constitution of groups**

A group is constituted by all the persons forming a group that is not part of a larger group.

### **69 Groups of corporations**

- (1) Corporations constitute a group if they are related bodies corporate.
- (2) For assessing whether corporations are related bodies corporate, they are taken to carry on a business and not to be trustee companies.

*Note—*

Section 74 allows the commissioner to exclude, for payroll tax purposes, persons from a group in some circumstances, but not if the persons are related bodies corporate.

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## 70 Groups arising from the use of common employees

- (1) If 1 or more employees of an employer perform duties in connection with 1 or more businesses carried on by the employer and 1 or more other persons, the employer and each of those other persons constitute a group.
- (2) If 1 or more employees of an employer are employed solely or mainly to perform duties in connection with 1 or more businesses carried on by 1 or more other persons, the employer and each of those other persons constitute a group.
- (3) If 1 or more employees of an employer perform duties—
  - (a) in connection with 1 or more businesses carried on by 1 or more other persons; and
  - (b) in connection with, or in fulfilment of the employer's obligation under, a relevant agreement;

the employer and each of those other persons constitute a group.

- (4) In this section—

*relevant agreement* means an agreement, arrangement or undertaking for services to be provided to 1 or more of the other persons in connection with the business or those businesses carried on by the other person or persons—

- (a) whether the agreement, arrangement or undertaking is formal or informal, express or implied; and
- (b) whether or not the agreement, arrangement or undertaking provides for duties to be performed by the employees or states the duties to be performed by them.

*Note*—

Section 74 allows the commissioner to exclude, for payroll tax purposes, persons from a group constituted under this section in some circumstances.

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## 71 Groups of commonly controlled businesses

- (1) If a person or set of persons has a controlling interest in each of 2 businesses, the persons who carry on those businesses constitute a group.

*Note—*

Section 74 allows the commissioner to exclude, for payroll tax purposes, persons from a group constituted under this section in some circumstances.

- (2) For this section, a person or set of persons has a ***controlling interest*** in a business if any of the following applies—
- (a) for 1 person—the person is the sole owner of the business, whether or not as trustee;
  - (b) for a set of persons—together the persons are the sole owners of the business as trustees;
  - (c) for a business carried on by a corporation—
    - (i) the person or each person in the set of persons is a director of the corporation, and the person or set of persons is entitled to exercise more than 50% of the voting power at meetings of the directors of the corporation; or
    - (ii) a director or set of directors of the corporation that is entitled to exercise more than 50% of the voting power at meetings of the directors of the corporation is under an obligation, whether formal or informal, to act in accordance with the direction, instruction or wishes of the person or set of persons;
  - (d) for a business carried on by a body corporate or unincorporate—the person or set of persons constitute more than 50% of, or control the composition of, the board of management, by whatever name called, of the body;
  - (e) for a business carried on by a corporation with a share capital—the person or set of persons can, directly or indirectly, exercise, control the exercise of, or

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substantially influence the exercise of, more than 50% of the voting power attached to the voting shares, or a class of voting shares, issued by the corporation;

- (f) for a business carried on by a partnership—the person or set of persons—
  - (i) own, whether beneficially or not, more than 50% of the capital of the partnership; or
  - (ii) is entitled, whether beneficially or not, to more than 50% of the profits of the partnership;
- (g) for a business carried on under a trust—the person or set of persons, whether or not as the trustee or beneficiary of another trust, is the beneficiary in respect of more than 50% of the value of the interests in the trust under which the business is carried on.

(3) If—

- (a) 2 corporations are related bodies corporate; and
- (b) 1 of the corporations has a controlling interest in a business;

the other corporation has a controlling interest in the business.

(4) If—

- (a) a person or set of persons has a controlling interest in a business; and
- (b) a person or set of persons who carry on the business has a controlling interest in another business;

the person or set of persons mentioned in paragraph (a) has a controlling interest in the other business.

(5) If—

- (a) a person or set of persons is the beneficiary of a trust in respect of more than 50% of the value of the interests in the trust; and
- (b) the trustee of the trust, whether alone or together with another trustee or trustees, has a controlling interest in the business of another trust;

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the person or set of persons has a controlling interest in the business.

- (6) A person who may benefit from a discretionary trust as a result of the trustee or another person, or the trustee and another person, exercising or failing to exercise a power or discretion, is taken for this part to be a beneficiary of the trust in respect of more than 50% of the value of the interests in the trust.

- (7) If—

- (a) a person or set of persons has a controlling interest in the business of a trust; and  
(b) the trustee of the trust, whether alone or together with another trustee or trustees, has a controlling interest in the business of a corporation;

the person or set of persons has a controlling interest in the business of the corporation.

- (8) If—

- (a) a person or set of persons has a controlling interest in the business of a trust; and  
(b) the trustee of the trust, whether alone or together with 1 or more other trustees, has a controlling interest in the business of a partnership;

the person or set of persons has a controlling interest in the business of the partnership.

## 72 Groups arising from tracing of interests in corporations

- (1) A relevant entity and a corporation constitute a group if the entity has a controlling interest in the corporation.

*Note—*

Section 74 allows the commissioner to exclude, for payroll tax purposes, persons from a group constituted under this section in some circumstances.

- (2) For this section, a relevant entity has a ***controlling interest*** in a corporation if—



- 
- (a) the corporation has share capital; and
  - (b) the entity has an interest in the corporation; and
  - (c) the value of the interest is more than 50%.
- (3) In this section—

*interest* means a direct interest, indirect interest or aggregate interest under section 74B.

*relevant entity* see section 74B.

### **73 Smaller groups subsumed into larger groups**

If a person is a member of 2 or more groups, the members of all the groups together constitute a group.

*Note 1—*

Section 74 allows the commissioner to exclude, for payroll tax purposes, persons from a group constituted under this section in some circumstances.

*Note 2—*

See also section 68.

### **74 Exclusion of persons from groups**

- (1) The commissioner may, by order in writing (an *exclusion order*), exclude a person from a group.
- (2) The commissioner may make an exclusion order only if the commissioner is satisfied a business carried on by the person is carried on independently of, and is not connected with the carrying on of, a business carried on by any other member of the group.
- (3) For deciding whether to make an exclusion order, the commissioner must have regard to—
  - (a) the nature and degree of ownership and control of the businesses carried on by the person and the other members of the group; and
  - (b) the nature of the businesses; and

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- (c) any other matters the commissioner considers relevant.
- (4) Despite subsection (1), the commissioner can not make an exclusion order if the person and another body corporate that is a member of the group are related bodies corporate.
- (5) The commissioner may, by order in writing, revoke an exclusion order if the commissioner is satisfied the circumstances in which an exclusion order may be made do not apply to the person.
- (6) An exclusion order or order revoking an exclusion order takes effect on the date stated in it, which may be a date earlier than the date of the exclusion order.

## **Division 2A                      Business groups—interpretation provisions for tracing of interests in corporations**

### **74A    Application of div 2A**

This division applies for interpreting section 72.

### **74B    Definitions for div 2A**

In this division—

*aggregate interest* see section 74G(1).

*associated persons* see section 74C.

*direct interest* see section 74E.

*indirect interest* see section 74F.

*private company* means a company that is not limited by shares, or whose shares are not quoted on the Australian Stock Exchange or any exchange of the World Federation of Exchanges.

*related persons* see section 74D.

*relevant entity* means—

- (a) a person; or
- (b) 2 or more associated persons.

#### **74C Who are *associated persons***

Persons are *associated persons* if they are any of the following—

- (a) related persons;
- (b) individuals who are partners in a partnership;
- (c) private companies in which common shareholders have a majority interest;
- (d) trustees of trusts, other than public unit trust schemes, of which there is a common beneficiary;
- (e) a private company and a trustee of a trust, other than a public unit trust scheme, if a related body corporate of the company is a beneficiary of the trust.

#### **74D Who are *related persons***

- (1) Persons are *related persons* if they are any of the following—
  - (a) individuals, if—
    - (i) 1 is the spouse of the other; or
    - (ii) the relationship between them is that of parent and child, brothers, sisters, or brother and sister;
  - (b) private companies that are related bodies corporate;
  - (c) an individual and a private company, if the individual is a majority shareholder or director of—
    - (i) the company; or
    - (ii) another private company that is a related body corporate of the company;
  - (d) an individual and a trustee of a trust, other than a public unit trust scheme, of which the individual is a beneficiary;

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- (e) a private company and a trustee of a trust, other than a public unit trust scheme, if the company, or a majority shareholder or director of the company, is a beneficiary of the trust.
- (2) In this section—
- de facto partner* means 1 of 2 persons who is a de facto partner within the meaning of the *Acts Interpretation Act 1954*, section 32DA, if—
- (a) the persons are living, and for at least 2 years have lived, together as a couple on a genuine domestic basis within the meaning of the *Acts Interpretation Act 1954*, section 32DA; or
  - (b) the persons are not living, but for at least 2 years were living, together as a couple on a genuine domestic basis within the meaning of the *Acts Interpretation Act 1954*, section 32DA.

*spouse* includes a de facto partner.

## **74E Direct interest**

- (1) A relevant entity has a *direct interest* in a corporation if—
- (a) for a relevant entity that is a person—the person can, directly or indirectly, exercise the voting power attached to any voting shares issued by the corporation; or
  - (b) for a relevant entity that is 2 or more associated persons—each of the associated persons can, directly or indirectly, exercise the voting power attached to any voting shares issued by the corporation.
- (2) The value of the relevant entity's direct interest in the corporation is the percentage equivalent to the proportion of the voting power of all voting shares issued by the corporation that—
- (a) for a relevant entity that is a person—the person can, directly or indirectly, exercise; or

- 
- (b) for a relevant entity that is 2 or more associated persons—the associated persons can, if acting together, directly or indirectly exercise.
- (3) In this section—  
*exercise*, in relation to voting power attached to voting shares issued by a corporation, includes control the exercise of, or substantially influence the exercise of, the voting power.

## 74F Indirect interest

- (1) A relevant entity has an *indirect interest* in a corporation if the corporation is linked to another corporation (the *directly controlled corporation*) in which the entity has a direct interest.

*Note—*

It is possible for a relevant entity to have more than 1 indirect interest in a corporation. In that case, the relevant entity has an aggregate interest in the corporation under section 74G(1)(b).

*Examples—*

- 1 The relevant entity has a direct interest in corporations A and B. Both corporations A and B have a direct interest in corporation C.
  - 2 The relevant entity has a direct interest in corporation A. Corporation A is linked to another corporation through more than 1 chain of corporations.
- (2) A corporation is linked to the directly controlled corporation if the corporation is part of a chain of corporations—
- (a) that starts with the directly controlled corporation; and
  - (b) in which a link is formed if a corporation has a direct interest in the next corporation in the chain.

*Examples—*

- 1 A relevant entity has a direct interest in corporation A (the directly controlled corporation). Corporation A has a direct interest in corporation B. Corporations A and B are linked and form part of a chain of corporations. Therefore, the relevant entity has a direct interest in corporation A, and an indirect interest in corporation B.

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- 2 Corporation B also has a direct interest in corporation C. Corporations B and C are linked to corporation A, and corporations A, B and C form part of a chain of corporations. The relevant entity has a direct interest in corporation A, and an indirect interest in corporations B and C.
  - 3 Corporation B also has a direct interest in corporation D. There are now 2 chains of corporations, 1 consisting of corporations A, B and C and the other consisting of corporations A, B and D. Corporations B, C and D are all linked to corporation A. The relevant entity has a direct interest in corporation A, and an indirect interest in corporations B, C and D. However, if a relevant entity had a direct interest in corporation C only, the entity would not have an indirect interest in corporation D because corporation D is not linked to corporation C.
- (3) The value of a relevant entity's indirect interest in a corporation (the *indirectly controlled corporation*) that is linked to a directly controlled corporation is the percentage worked out by multiplying the following amounts—
- (a) the value of the relevant entity's direct interest in the directly controlled corporation;
  - (b) the value of each direct interest that forms a link in the chain of corporations by which the indirectly controlled corporation is linked to the directly controlled corporation.

*Examples—*

- 1 A relevant entity has a direct interest (with a value of 80%) in corporation A. Corporation A has a direct interest (with a value of 70%) in corporation B. The value of the relevant entity's indirect interest in corporation B is  $80\% \times 70\% = 56\%$ . For section 72, the relevant entity has a controlling interest in corporation B.
- 2 Corporation B also has a direct interest (with a value of 40%) in corporation C. The value of the relevant entity's indirect interest in corporation C is  $80\% \times 70\% \times 40\% = 22.4\%$ . For section 72, the relevant entity does not have a controlling interest in corporation C.

## **74G Aggregate interest**

- (1) A relevant entity has an *aggregate interest* in a corporation if—

- 
- (a) the entity has a direct interest and 1 or more indirect interests in the corporation; or
  - (b) the entity has more than 1 indirect interest in the corporation.
- (2) The value of a relevant entity's aggregate interest in a corporation is the sum of the following amounts—
- (a) the value of the direct interest, if any, of the entity in the corporation;
  - (b) the value of each indirect interest of the entity in the corporation.

*Example—*

A relevant entity has a direct interest (with a value of 40%) in corporation B. The relevant entity also has a direct interest (with a value of 25%) in corporation A. Corporation A has a direct interest (with a value of 60%) in corporation B. Accordingly, the relevant entity also has an indirect interest in corporation B with a value of 15% (25% x 60%). The value of the relevant entity's aggregate interest in corporation B is 40% + 15% = 55%. For section 72, the relevant entity has a controlling interest in corporation B.

## **Division 3                      Designated group employer**

### **75            Designation of group member as DGE**

- (1) The members of a group may, by an instrument in writing in the approved form executed by or on behalf of each member of the group and served on the commissioner, designate 1 of its members to be the DGE in respect of the group for the purposes of this Act.
- (2) If the members of a group do not in accordance with subsection (1) designate 1 of the members of the group to be the DGE in respect of the group for the purposes of this Act, the commissioner may exercise in respect of the group the powers of designation conferred on members of the group by that subsection and for the purposes of this Act such a designation by the commissioner shall be by instrument in writing served on the member of the group designated as the

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DGE and shall have the same effect and give rise to the same consequences as if validly made by the members of the group.

- (3) Subject to subsection (4), the DGE in respect of a group ceases to be the DGE in respect of that group on and from the first day of the periodic return period relating to the DGE during which—
  - (a) the composition of the group alters; or
  - (b) the members of the group, by an instrument in writing in the approved form executed by or on behalf of each of them who is known to the commissioner to be a member of the group and served on the commissioner, revoke the designation;

whichever occurs the earlier.

- (4) The members of a group may exercise the power of revoking a designation conferred by subsection (3) only with the prior written consent of the commissioner or, if at the same time as revoking the designation, the members make a further designation of 1 of their members to be the DGE in substitution for the member whose designation is revoked.
- (5) Where the commissioner has exercised the powers conferred on the commissioner by subsection (2), the commissioner may, by instrument in writing served on the member of the group designated as the DGE, revoke the commissioner's designation of that member as the DGE and thereafter may further exercise the powers conferred on the commissioner by that subsection.



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## **Part 5                      Provisions about assessments**

### **Division 1                      Reassessments**

#### **76            When registered employer may make reassessment**

- (1) An employer who is registered as an employer under part 3, division 1 may make a reassessment of the employer's periodic liability, annual liability or final liability only if—
  - (a) the employer is required or permitted under the employer's notice of registration; and
  - (b) the employer is satisfied the amount assessed is not correct; and
  - (c) the commissioner has not made an assessment of the liability, other than under the Administration Act, section 14(a).

*Editor's note—*

See, also, section 24 (Reassessment by self assessors) of the Administration Act.

- (2) A registered employer must not make a self assessment of a reassessment made by the commissioner.

#### **77            Reassessment—determination of periodic deduction**

- (1) This section applies if—
  - (a) the commissioner—
    - (i) makes a determination under section 21(1) or 27(1) of the amount of an employer's deduction for a periodic return period; or
    - (ii) revokes a determination mentioned in subparagraph (i); and
  - (b) the making or revocation of the determination—

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- (i) relates to a periodic return period for which an assessment of the employer's periodic liability has been made; and
  - (ii) would change the amount of the employer's periodic liability for the period.
- (2) A reassessment of the employer's periodic liability for the periodic return period must be made to give effect to the making or revocation of the determination.
- (3) If a reassessment required under subsection (2) would change the amount of the employer's annual liability for a financial year, or final liability for a final period, for which an assessment has been made, a reassessment of the employer's annual liability or final liability must be made to take into account the making or revocation of the determination.

## **78 Reassessment—annual liability of non-group employer who has lodged a final return**

- (1) This section applies if—
  - (a) an employer is not a group member on 30 June in a financial year; and
  - (b) the employer lodged, or was required under section 64 to lodge, a final return for a final period during the year and the employer was not a group member during the final period; and
  - (c) the original assessment of the employer's annual liability for the year—
    - (i) was not made by the commissioner; and
    - (ii) was made as required under section 30(2); and
  - (d) the employer's annual liability for the year worked out as required under section 30(2) is greater than it would be if the final return wages and final return liability for a final period mentioned in paragraph (b) were included for working out the liability.

- (2) Despite section 30(2), the commissioner must make a reassessment of the employer's annual liability for the year to include the final return wages and final return liability mentioned in subsection (1)(d) for working out the liability.
- (3) If the commissioner includes final return wages and final return liability under subsection (2) for working out the employer's annual liability, the employer's annual deduction for the financial year must be worked out having regard to the days in a final period mentioned in subsection (1)(b).
- (4) In this section—

*final return liability* means the employer's periodic liability amount for a final period mentioned in subsection (1)(b).

*final return wages* means taxable wages paid or payable by the employer for a final period mentioned in subsection (1)(b).

## 79 Reassessment—change of DGE

- (1) This section applies for an employer who is a group member if—
  - (a) the DGE for the group changes; and  
*Editor's note—*  
See section 75 (Designation of group member as DGE).
  - (b) the change of DGE—
    - (i) relates to a periodic return period for which an assessment of the employer's periodic liability has been made; and
    - (ii) would change the amount of the employer's periodic liability for the period.
- (2) A reassessment of the employer's periodic liability for the periodic return period must be made to give effect to the change of DGE.
- (3) If a reassessment required under subsection (2) would change the amount of the employer's annual liability for a financial year, or final liability for a final period, for which an

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assessment has been made, a reassessment of the employer's annual liability or final liability must be made to take into account the change of DGE.

**80 Reassessment—making or revocation of order excluding a person from a group**

- (1) This section applies if—
  - (a) the commissioner—
    - (i) makes an order under section 74 excluding a person from a group; or
    - (ii) revokes an order mentioned in subparagraph (i); and
  - (b) the making or revocation of the order—
    - (i) relates to a periodic return period for which an assessment of the person's periodic liability has been made; and
    - (ii) would change the amount of the person's periodic liability for the period.
- (2) A reassessment of the person's periodic liability for the periodic return period must be made to give effect to the making or revocation of the order.
- (3) If a reassessment required under subsection (2) would change the amount of the person's annual liability for a financial year, or final liability for a final period, for which an assessment has been made, a reassessment of the person's annual liability or final liability must be made to take into account the making or revocation of the order.

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## **Division 2                      Provisions about particular assessments made by the commissioner**

### **81            Provision about assessments made by commissioner—employer who is required to lodge periodic returns**

- (1) Subsection (2) applies if an employer lodged, or was required under section 59 to lodge, a periodic return during all or part of a financial year (the *relevant period*).
- (2) In making an assessment or reassessment of the employer's annual liability for the year, the commissioner may treat the employer as if the employer had been exempt under section 62 from lodging periodic returns during all or part of the relevant period.
- (3) Subsection (4) applies if an employer lodged, or was required under section 59 to lodge, a periodic return during all or part of a final period (also the *relevant period*).
- (4) In making an assessment or reassessment of the employer's final liability for the final period, the commissioner may treat the employer as if the employer had been exempt under section 62 from lodging periodic returns during all or part of the relevant period.
- (5) If subsection (2) or (4) applies—
  - (a) the employer must be treated for this Act and the Administration Act as if the employer did not have periodic liability, and had been exempt under section 62 from lodging periodic returns, for periodic return periods during all or part of the relevant period; and
  - (b) any assessment of periodic liability for a periodic return period mentioned in paragraph (a) is taken not to have been made; and
  - (c) the commissioner may apply, in the order required under the Administration Act, section 42, the whole or part of an amount paid or payable by the employer for periodic

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liability for a periodic return period mentioned in paragraph (a) as payment for a prescribed payroll tax liability of the employer; and

- (d) the commissioner is not prevented from making a subsequent reassessment of the employer's periodic liability, annual liability or final liability under section 82.
- (6) For this section, the circumstances in which an employer was required under section 59 to lodge a periodic return during the relevant period include an assessment or reassessment mentioned in section 82(2) or (4) being made by the commissioner in relation to the period.

## **82 Provision about assessments made by commissioner—employer who is exempt from lodging periodic returns**

- (1) Subsection (2) applies if—
  - (a) an employer was exempt under section 62 from lodging a periodic return during all or part of a financial year (the *exemption period*); or
  - (b) the commissioner authorised the employer, under section 60, to lodge periodic returns for periods other than a month during all or part of a financial year (also the *exemption period*).
- (2) In making an assessment or reassessment of the employer's periodic liability for a periodic return period during the exemption period, and the employer's annual liability for the year, the commissioner may treat the employer as if the employer had been required under section 59 to lodge a periodic return for each month during all or part of the exemption period.
- (3) Subsection (4) applies if—
  - (a) an employer was exempt under section 62 from lodging a periodic return during all or part of a final period (also the *exemption period*); or

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- (b) the commissioner authorised the employer, under section 60, to lodge periodic returns for periods other than a month during all or part of a final period (also the *exemption period*).
- (4) In making an assessment or reassessment of the employer's periodic liability for a periodic return period during the exemption period, and the employer's final liability for the final period, the commissioner may treat the employer as if the employer had been required under section 59 to lodge a periodic return for each month during all or part of the exemption period.
- (5) The commissioner may make an assessment or reassessment mentioned in subsection (2) or (4) only if—
- (a) the employer contravenes section 87 or 87A during the exemption period; or
  - (b) the employer gave the commissioner false or misleading information in contravention of the Administration Act, section 122 or 123, and the commissioner relied on the information in—
    - (i) granting an exemption under section 62; or
    - (ii) authorising the employer, under section 60, to lodge periodic returns for periods other than a month; or
  - (c) the commissioner has made an assessment or reassessment mentioned in section 81(2) or (4) in relation to the exemption period.
- (6) If the commissioner makes an assessment or reassessment mentioned in subsection (2) or (4)—
- (a) the employer must be treated for this Act and the Administration Act, other than the Administration Act, section 121, as if the employer had been required under section 59 to lodge, on the return date, a periodic return for each month during all or part of the exemption period; and

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- (b) the commissioner is not prevented from making a subsequent reassessment of the employer's annual liability or final liability under section 81.
- (7) For this section, the circumstances in which an employer was exempt under section 62 from lodging a periodic return during the exemption period include an assessment or reassessment mentioned in section 81(2) or (4) being made by the commissioner in relation to the period.

## **Part 6                      Miscellaneous**

### **Division 1                Refund provisions**

#### **83        Application of annual refund amount or final refund amount**

- (1) This section applies if an employer is entitled to an annual refund amount or final refund amount on an original assessment of the employer's annual liability or final liability.

*Note—*

See the Administration Act, part 4, division 2, for provisions about entitlement to refunds on a reassessment of an employer's annual liability or final liability.

- (2) The commissioner may apply the amount wholly or partly as payment for—
  - (a) a tax law liability of the employer; or
  - (b) if the employer is a group member—a prescribed payroll tax liability of another member of the group; or
  - (c) a liability mentioned in paragraph (a) or (b) that the commissioner reasonably believes will become payable within 60 days after the entitlement to the refund arises.
- (3) If the commissioner does not apply any part of the amount as payment for a liability mentioned in subsection (2) within the



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60 day period mentioned in subsection (2)(c), the commissioner must refund immediately to the employer the amount not applied.

- (4) This section applies despite the Administration Act, section 36.
- (5) The Administration Act, section 39, applies to a refund of an amount to the employer, or an application of an amount as payment for an employer, under this section.
- (6) For subsection (5), a reference to a taxpayer in the Administration Act, section 39, includes a reference to—
  - (a) the employer; and
  - (b) if the employer is a group member—another member of the group.

#### **84 Provision for refunds under Administration Act to group members**

- (1) This section applies if a group member is entitled to a refund, under the Administration Act, section 37, of an amount paid by the group member under this Act or the Administration Act in relation to payroll tax.
- (2) The commissioner may apply all or part of the amount as payment for—
  - (a) a prescribed payroll tax liability of another member of the group; or
  - (b) a liability mentioned in paragraph (a) that the commissioner reasonably believes will become payable within 60 days after the entitlement to the refund arises.
- (3) Subsection (2) applies in addition to the Administration Act, section 38(2).
- (4) If the commissioner applies any part of the amount held to a liability mentioned in subsection (2) within the 60 day period mentioned in subsection (2)(b)—
  - (a) the Administration Act, section 38(3) does not apply; and

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- (b) the commissioner must refund immediately to the employer any part of the amount not applied under subsection (2) or the Administration Act, section 38(2).
- (5) This section has effect subject to the Administration Act, section 39.
- (6) For subsection (5)—
  - (a) the Administration Act, section 39 applies to an amount applied under subsection (2) as a payment for a group member; and
  - (b) a reference to a taxpayer in the Administration Act, section 39, includes a reference to a group member.

## **85 Entitlement to a refund of payroll tax**

An employer is not entitled to a refund of an amount of payroll tax paid, or purportedly paid, by the employer other than under—

- (a) section 31, 35, 39 or 43; or
- (b) the Administration Act, part 4, division 2.

## **Division 2 Notification requirements**

### **87 Notification requirement—employers exempt from lodging periodic returns**

- (1) This section applies if—
  - (a) an employer is exempt under section 62 from lodging periodic returns; and
  - (b) the total taxable wages paid or payable by the employer for a month is greater than \$83333 in each of 3 consecutive months.
- (2) Within 28 days of the last day of the third month mentioned in subsection (1)(b), the employer must give written notice to the

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commissioner stating that the event mentioned in the subsection has happened.

*Note—*

Failure to give the notice is an offence under the Administration Act, section 120.

### **87A Notification requirement—employers authorised to lodge periodic returns for periods other than a month**

- (1) This section applies if—
  - (a) the commissioner authorised an employer, under section 60(2), to lodge periodic returns for periods other than a month during all or part of a financial year; and
  - (b) there has been a relevant wage change during a periodic return period for the employer.
- (2) For subsection (1)(b), a ***relevant wage change*** happens during a periodic return period for the employer if the employer's current estimated wages is more than 30% more than the employer's previous annual wages.
- (3) Within 28 days after the last day of the periodic return period, the employer must give written notice to the commissioner stating that a relevant wage change has happened during the period for the employer.

*Note—*

Failure to give the notice is an offence under the Administration Act, section 120.

- (4) In this section—

***current estimated wages***, of the employer, means the total amount of taxable wages and interstate wages, or the total amount of taxable wages, for the financial year estimated by the employer at the end of the periodic return period.

***previous annual wages***, of the employer, means the total amount of taxable wages and interstate wages, or the total amount of taxable wages, paid or payable by the employer during the previous financial year.

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## **88 Notification requirement—particular group members**

- (1) This section applies to an employer who is a non-DGE group member—
  - (a) at any time during the designated period for the employer who is the DGE for the group on 30 June in a financial year; or
  - (b) at any time during a final period for the DGE for the group.
- (2) The employer must, within 7 days after the last day, notify the DGE of the taxable wages and interstate wages that were paid or payable by the employer, as a member of the group, during—
  - (a) if subsection (1)(a) applies—the designated period for the DGE in the year; or
  - (b) if subsection (1)(b) applies—the final period for the DGE.

*Editor's note—*

See also section 126 (Application of s 88 notification requirement in relation to a transitional year).

Maximum penalty—100 penalty units.

- (3) In this section—

***last day*** means—

- (a) if subsection (1)(a) applies—
  - (i) if the employer is not a member of the group on 30 June in the year—the last day of the final period for the employer ending on the day the employer ceases to pay, or be liable to pay, wages as a member of the group; or
  - (ii) otherwise—30 June in the year; or
- (b) if subsection (1)(b) applies—
  - (i) if the employer is not a member of the group on the last day of the final period for the DGE—the last day of the final period for the employer ending on

- the day the employer ceases to pay, or be liable to pay, wages as a member of the group; or
- (ii) otherwise—the last day of the final period for the DGE.

## **89 Notification requirement—liquidators and other administrators**

- (1) This section applies to a person who—
  - (a) becomes the liquidator of a company that is—
    - (i) being wound up; and
    - (ii) an employer registered, or required to be registered, as an employer under part 3, division 1; or
  - (b) is appointed as administrator for the property of a person who is registered, or required to be registered, as an employer under part 3, division 1.
- (2) The person must, within 14 days of becoming the liquidator or being appointed as the administrator, give written notice to the commissioner stating the person has become the liquidator or been appointed as the administrator.  
Maximum penalty—40 penalty units.
- (3) The Administration Act, section 48, does not apply to the person.
- (4) In this section—  
*administrator* does not include a liquidator.

## **Division 3 Other provisions**

### **90 Commissioner may require payment of penalty**

- (1) This section applies if an employer—

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- (a) does not lodge a periodic return, annual return or final return in contravention of this Act; or
  - (b) does not pay, in contravention of this Act, an amount of the employer's liability for payroll tax in relation to a return; or
  - (c) gives the commissioner a return containing false or misleading information in contravention of the Administration Act, section 122 or 123.
- (2) The commissioner may, by written notice given to the employer, require the employer to pay a penalty (the ***penalty amount***) of the greater of the following—
- (a) not more than 75% of the amount of the employer's liability for payroll tax in relation to the return;
  - (b) \$100.
- (3) The notice must state—
- (a) the date for payment of the penalty amount, being a day that is at least 30 days after the employer receives the notice; and
  - (b) the reasons for the decision to require payment of the penalty amount.
- (4) The commissioner may enter into an arrangement for payment of the penalty amount by instalments.
- (5) The arrangement may include provision for the payment of interest calculated at the rate for unpaid tax interest for the period starting on the start day and ending on the day the penalty amount is paid in full, both days inclusive.
- (6) For this section—

***start day*** means the day after the failure or contravention mentioned in subsection (1).

*Note—*

The penalty amount is a debt payable to the commissioner and may be recovered in a court of competent jurisdiction, see the Administration Act, section 45.

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**91 Period for keeping particular records relating to fringe benefits tax**

- (1) This section applies to an employer who elects under a regulation to include in returns estimated value amounts for fringe benefits.
- (2) The employer must keep a record of the fringe benefits paid or payable by the employer during the financial year in which the election is made.
- (3) The person must keep the record until 5 years has elapsed after the earlier of the following—
  - (a) the employer lodges a final return;
  - (b) the employer elects under a regulation to include in returns actual value amounts for fringe benefits.

Maximum penalty—100 penalty units.

- (4) The Administration Act, section 118, does not apply to the keeping of the record.

**92 Application of Act to trustees**

- (1) If an employer pays, or is liable to pay, wages as trustee of a trust—
  - (a) the employer must lodge returns, and pay payroll tax, as required under this Act in the employer's capacity as trustee; and
  - (b) except as otherwise provided under this Act, each return mentioned in paragraph (a) must be separate and distinct from any return lodged by the employer for wages paid or payable—
    - (i) other than as trustee; or
    - (ii) as trustee of another trust; and
  - (c) the employer must do all other things required under this Act in relation to wages paid by the employer.

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*Example—*

An employer, Company X, pays wages in its personal capacity and also as a trustee of Trust Y and Trust Z. The company and trusts are not members of a group and all are registered or required to register as employers under part 3, division 1. The employer must lodge 3 separate returns: for Company X in its personal capacity, as trustee of Trust Y and as trustee of Trust Z.

- (2) Subsection (1) does not exclude, limit or otherwise affect the operation of part 4 to the extent the part applies to—
- (a) a trustee; or
  - (b) 2 or more persons, 1 or more of whom is a trustee.

### **93      Avoiding taxation**

Any person who, by any wilful act, default or neglect, or by any fraud, art or contrivance whatever, avoids or attempts to avoid payroll tax chargeable under this Act, shall be guilty of an offence.

Maximum penalty—20 penalty units and treble the amount of payroll tax avoided or attempted to be avoided.

### **94      Notice of change of address for service**

- (1) An employer who is registered as an employer under part 3, division 1 must give the commissioner written notice of a change of the employer's address for service within 1 month after each change.

*Note—*

Failure to give the notice is an offence under the Administration Act, section 120.

- (2) In this section—

***address for service***, for an employer, means—

- (a) the employer's address for service shown in the last return lodged by the employer; or



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- (b) if the employer has given the commissioner a notice under this section, the address stated in the last notice given.

## **95 Cents to be disregarded for calculations**

- (1) This section applies if—
  - (a) for this Act, it is necessary to do any of the following—
    - (i) reduce an amount by a fixed sum for each other fixed sum by which another amount exceeds another amount or a certain proportion of a third amount;
    - (ii) calculate the proportion that 1 amount bears to another amount;
    - (iii) calculate an amount using a formula; and
  - (b) if subsection (2) did not apply, 1 or more of the amounts mentioned in paragraph (a), or an amount included in a formula, would be amounts of dollars and cents.
- (2) The cents must be disregarded.

## **96 Approval of forms**

The commissioner may approve forms for use under this Act.

## **97 Regulation-making power**

- (1) The Governor in Council may make regulations under this Act.
- (2) Regulations may be made with respect to—
  - (a) the way of making an application to the commissioner under this Act; and
  - (b) the evidence the commissioner may require to decide whether or not—
    - (i) an employer was an employer for part only of a financial year; or

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- (ii) a person was a member of a group; or
  - (iii) a notice under section 59(2) or 60(2) or a certificate under section 62(1) should be given; and
  - (c) providing that a return, application, notice, statement or form signed on behalf of an employer is taken to have been signed by the employer; and
  - (d) in relation to fringe benefits, what is to be included in a return as the value of fringe benefits paid or payable by an employer; and
  - (e) any other matter for the application of this Act to a fringe benefit.
- (3) A regulation may impose a penalty of not more than 20 penalty units for a contravention of the regulation.

#### **97A Application of particular amendments**

This Act, as amended by the *Revenue and Other Legislation Amendment Act 2008*, part 4 applies for payroll tax levied on taxable wages paid or payable in the financial year starting on 1 July 2008 and each later financial year.

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## Part 7 Savings and transitional provisions for Payroll Tax Administration Amendment Act 2004

### Division 1 Preliminary

#### 98 Definitions for pt 7

In this part—

***amended***, for a provision of this Act, means the provision as amended or inserted by the amending Act.

***amended Act*** means this Act as amended by the amending Act.

***amending Act*** means the *Payroll Tax Administration Amendment Act 2004*.

***commencement*** means the commencement of section 38 of the amending Act.

***post-commencement liability*** means a liability for payroll tax arising on or after the commencement, other than a liability relating to a transitional return period.

*Example—*

The commencement is on 1 March 2005.

For an employer who is required under previous section 13 to lodge returns for quarterly periods starting on 1 July, 1 October, 1 January and 1 April, the employer's liability for payroll tax for the return period ending on 30 June 2005 would be a post-commencement liability.

An employer's liability for payroll tax for the 2004/2005 financial year would be a post-commencement liability.

***pre-commencement act or omission*** means an act or omission done or omitted to be done for this Act before the commencement.

***pre-commencement liability*** means a liability for payroll tax arising before the commencement.

*Example—*

The commencement is on 1 March 2005.

For an employer who is required under previous section 13 to lodge returns for each month, the employer's liability for payroll tax for the previous return period ending on 28 February 2005 would be a pre-commencement liability.

For an employer who is required under previous section 13 to lodge returns for quarterly periods starting on 1 July, 1 October, 1 January and 1 April, the employer's liability for payroll tax for the previous return period ending on 31 December 2004 would be a pre-commencement liability.

***prescribed period*** means a prescribed period under previous section 11C or 16L.

***previous***, for a provision of this Act, means the provision as in force before the commencement.

***previous return period*** means a return period within the meaning of previous section 3(1) ending before the commencement.

***transitional final period*** means the final period for the first change of status happening for an employer on or after the commencement during a transitional year.

***transitional return period*** means a return period within the meaning of previous section 3(1) that has started but not ended before the commencement.

*Example—*

The commencement is on 1 March 2005. For an employer who is required under previous section 13 to lodge returns for quarterly periods starting on 1 July, 1 October, 1 January and 1 April, the return period ending on 31 March 2005 would be a transitional return period. However, for an employer required to lodge monthly returns, there would not be a transitional return period.

***transitional year*** means the financial year during which the commencement falls, except if the commencement is on the first day of the year.

*Example—*

The commencement is on 1 March 2005. The 2004/2005 financial year would be a transitional year.

The commencement is on 1 July 2005. There would not be a transitional year.

## **Division 2                      Application of amended Act and Administration Act**

### **99            Application of amended Act in relation to liabilities etc. arising on or after commencement**

- (1) The amended Act applies in relation to—
  - (a) a post-commencement liability; and
  - (b) an act or omission done or omitted to be done for this Act on or after the commencement.

*Example for subsection (1)(b)—*

The commencement is on 1 March 2005. After the commencement, it is discovered that a person was required to apply for registration as an employer from 1 July 2004. After 1 March 2005, the continuing failure to apply for registration is, although it may also relate to a pre-commencement liability, an act or omission done or omitted to be done for this Act after the commencement.

- (2) Subsection (1) has effect subject to division 4.

### **100          Registration under s 54 of person required to register before commencement**

- (1) This section applies if a person was required to apply for registration as an employer under previous section 12 but did not do so before the commencement.
- (2) The commissioner may register the person under section 54.
- (3) If the commissioner registers the person under section 54, a reference in the previous provisions of this Act to an employer

registered under section 12 is taken to include a reference to the person.

### **101 Application of amended ss 58–62 for previous return periods**

- (1) This section applies if an employer was required under previous section 13 or 14 to furnish a return for a previous return period but did not do so before the commencement.
- (2) Amended sections 58 to 62 apply in relation to the employer for the previous return period.
- (3) For subsection (2), the employer is taken to be a relevant employer for the return period.
- (4) Previous sections 13 and 14 do not apply to the employer for the previous return period.
- (5) However, subsection (4) does not affect the employer's liability for contravening previous section 13 or 14 before the commencement.

### **102 Assessment under amended s 81 in relation to particular pre-commencement liabilities**

- (1) The commissioner may make an assessment under section 81(2) in relation to an employer's liability for payroll tax for a financial year ending before the commencement.
- (2) For subsection (1), a reference in section 81(5)(c) to a prescribed payroll tax liability of the employer is taken to be a reference to tax, within the meaning of previous section 3, payable by the employer.
- (3) Section 81(5)(d) does not apply if the commissioner makes an assessment mentioned in subsection (1).
- (4) This section applies subject to section 104.
- (5) In this section—

*assessment* means an assessment under previous part 5.

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**103 Application of amended s 95 to calculations made under previous provisions**

- (1) Amended section 95 applies for a calculation made under the previous provisions of this Act.
- (2) Previous section 3(3) does not apply for the calculation.

**104 This Act as a revenue law for the Administration Act**

- (1) This section provides for how the Administration Act applies to this Act, in relation to particular liabilities, acts and omissions, as a revenue law under the Administration Act.

*Note—*

The Administration Act applies to this Act, as a revenue law, except to the extent its application is limited or modified under this section or section 105 or 106.

*Editor's note—*

The Administration Act, section 6 (Revenue laws), declares this Act to be a revenue law.

- (2) The provisions of the Administration Act mentioned in subsection (3) do not apply in relation to—
  - (a) a pre-commencement liability; or
  - (b) a liability for payroll tax for a transitional return period.
- (3) For subsection (2), the provisions of the Administration Act that do not apply are each of the following—
  - (a) part 3 (Assessments of tax);
  - (b) part 4 (Payments and refunds of tax and other amounts), other than sections 29, 34, 40(1)(a) and (b) and (2), 41 and 42, division 4, division 5, subdivision 1 and sections 49 to 53;
  - (c) part 5 (Interest and penalty tax);
  - (d) sections 124, 125 and 132.
- (4) To remove doubt, it is declared that the Administration Act applies in relation to an act or omission done or omitted to be

done on or after the commencement, even if the act or omission relates to a liability mentioned in subsection (2).

*Example—*

The commencement is on 1 March 2005. During an audit in July 2005 in relation to the 2003/2004 financial year, a taxpayer fails to provide wage details for the financial year as required under the Administration Act, part 7. Failure to provide the information would be an omission after the commencement, even though it relates to a pre-commencement liability.

- (5) However, the Administration Act, sections 124, 125 and 132 do not apply in relation to an act or omission mentioned in subsection (4) if the act or omission relates to a liability mentioned in subsection (2).
- (6) For applying the Administration Act, part 4, in relation to a liability, act or omission mentioned in subsection (2) or (4)—
  - (a) a liability mentioned in subsection (2)(a) or (b) is taken to be an assessment liability for the Administration Act, sections 41 and 42; and
  - (b) penal tax and additional tax are not primary tax for the Administration Act, section 42; and
  - (c) an assessment of further tax under previous part 5 is taken to be a reassessment for the Administration Act, section 46.
- (7) Subsection (4) applies subject to subsection (8).
- (8) However, to the extent this Act applies to an act or omission mentioned in subsection (4), the application of the Administration Act, section 136 is subject to previous section 38.
- (9) If, under this section, a provision of the Administration Act relating to a particular matter applies to this Act and this Act contains provision about the same matter, this Act does not apply to the matter.



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**105 Application of Administration Act, s 38**

An amount relating to a post-commencement liability may be applied under the Administration Act, section 38, as payment for a pre-commencement liability or a liability for payroll tax for a transitional return period.

**106 Second or subsequent offences**

- (1) For applying the Administration Act, section 138 to this Act, the reference in subsection (1)(b) of that section to a further offence is a reference to an offence committed on or after the commencement.
- (2) If the Administration Act, section 138(1)(a), applies for an offence against a previous provision of this Act that is repealed by the amending Act, the reference in subsection (1)(b) of that section to a further offence against the provision includes a reference to an offence against a provision of the amended Act or the Administration Act that corresponds to the previous provision.

**Division 3 Application of previous provisions****107 Application of previous provisions to particular liabilities etc.**

- (1) Despite their amendment or repeal by the amending Act, the previous provisions of this Act continue to apply in relation to—
  - (a) a pre-commencement liability; and
  - (b) a liability for payroll tax in relation to a transitional return period; and
  - (c) a pre-commencement act or omission.
- (2) However, previous section 16L(5) does not apply.
- (3) Also, subsection (1) has effect subject to sections 100, 101, 103 and 104(9).

## **Division 4                      Provisions about periodic liability after commencement**

### **108      Fixed periodic deduction for periodic return periods after commencement—existing determination**

- (1) This section applies if—
  - (a) there is a transitional year; and
  - (b) a determination by the commissioner of the amount of an employer's deduction for a return period, made under previous section 9(7) or 16I(4), is in effect immediately before the commencement.
- (2) The amount determined is, for part 2, division 3, the employer's fixed periodic deduction for each periodic return period in the transitional year.
- (3) However, if the commissioner determines the employer's fixed periodic deduction under amended section 21 or 27 on or after the commencement during the transitional year, the amount determined under the section is the employer's fixed periodic deduction.

### **109      Fixed periodic deduction for periodic return periods after commencement—existing nomination**

- (1) This section applies if—
  - (a) there is a transitional year; and
  - (b) immediately before the commencement—
    - (i) a nomination made by an employer under previous section 9(5) is in effect; or
    - (ii) a nomination made by the members of a group or the commissioner under previous section 16I(1) or (1A) of the amount of the DGE's deduction is in effect.
- (2) The amount nominated is, for part 2, division 3, the employer's fixed periodic deduction for each periodic return

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period in the transitional year until the earlier of the following—

- (a) there is a calculation day;
  - (b) the commissioner determines the employer's fixed periodic deduction under amended section 21 or 27.
- (3) Subsection (2) applies subject to section 110.

### **110 Application of fixed periodic deduction to particular non-group employers after commencement**

- (1) This section applies to an employer—
- (a) who is not a member of a group on the commencement; and
  - (b) whose deduction for the last previous return period ending before the commencement was an amount worked out under previous section 9(3).
- (2) For section 20, the employer can not be a previous interstate wage payer for a periodic return period unless the employer has paid, or been liable to pay, interstate wages on or after the commencement.

## **Division 5 Provisions for annual liability for transitional year**

### **111 Purpose of div 5**

This division provides for working out an employer's annual liability for a transitional year.

### **112 Basic principles for working out employer's annual liability**

- (1) This section applies if there was a prescribed period during the year for—
- (a) the employer; or

- (b) if the employer was a member of a group during the year—the group.
- (2) For working out the employer's annual liability for the transitional year—
  - (a) taxable wages paid or payable by the employer for the prescribed period are not included in the employer's annual wages for the year; and
  - (b) payroll tax paid or payable by the employer for the prescribed period is not included in the employer's periodic liability for periodic returns during the year; and
  - (c) the employer's annual deduction must be worked out without having regard to the days in the prescribed period.
- (3) This section applies subject to sections 113, 114, 118 and 119.

**113 Employer who was not a group member for a prescribed period during the transitional year**

- (1) This section applies if—
  - (a) the employer is not a member of a group on 30 June in the transitional year; and
  - (b) there was a prescribed period for the employer during the year; and
  - (c) the employer was not a member of a group for the prescribed period; and
  - (d) the employer's annual liability for the transitional year worked out as required under section 112(2) is greater than it would be if the section did not apply to the employer.
- (2) If the commissioner makes an original assessment of the employer's annual liability for the year, other than under the Administration Act, section 14(a), section 112(2) does not apply to the employer.

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- (3) If the original assessment of the employer's annual liability for the year was made by the commissioner under the Administration Act, section 14(a), the commissioner must make a reassessment of the liability on the basis that section 112(2) does not apply to the employer.

#### **114 Employer who is a DGE on 30 June in the transitional year**

- (1) This section applies if—
- (a) the employer became the DGE for a group—
    - (i) during the transitional year; and
    - (ii) before the commencement; and
  - (b) the employer is the DGE for the group continuously until 30 June in the year; and
  - (c) immediately before becoming the DGE for the group, the employer was a member of the group.
- (2) For working out the employer's annual liability for the transitional year—
- (a) taxable wages paid or payable by the employer for the period (the *group member period*) in the year during which the employer was a member of the group must be included in the employer's annual wages for the year; and
  - (b) payroll tax paid or payable by the employer for the group member period must be included in the employer's periodic liability for periodic return periods during the designated period; and
  - (c) the employer's annual deduction must be worked out having regard to each of the following—
    - (i) the days in the year on which any employer paid, or was liable to pay, wages as a member of the group, even if the days are not included in the designated period for the DGE for the year; and

- (ii) the taxable wages and interstate wages paid or payable by any employer, as a member of the group, on the days mentioned in subparagraph (i); and
- (d) even if section 34(1)(a) does not apply, the employer's liability is the annual adjustment amount if the employer was required, under previous part 3, to furnish a return during the year when the employer was a member of the group.
- (3) The employer's annual return for the transitional year must state the wages that were paid or payable, as a member of the group, by an employer—
  - (a) during the designated period for the DGE in the year; and
  - (b) on the days in the year mentioned in subsection (2)(c)(i).
- (4) Subsection (3) applies despite section 63(3)(b).

## **Division 6                      Provisions for final liability for transitional final period**

### **115      Purpose of div 6**

This division provides for working out an employer's final liability for a transitional final period.

### **116      When transitional final period starts**

- (1) A transitional final period starts on the latest of the following days in the transitional year—
  - (a) 1 July;
  - (b) the first day on which the person is required to register as an employer under previous part 4;
  - (c) if there was a prescribed period for the employer during the transitional year—the day after the last day of the

latest prescribed period for the employer during the year.

- (2) This section applies despite section 6(a).

*Example—*

The commencement is on 1 March 2005. An employer who has been a member of a group from 1 July 2004 becomes the DGE for the group on 1 May 2005. This is the first change of status for the employer on or after the commencement. The final period for the change of status is a transitional final period starting on 1 July 2004.

## **117 Employer who is a DGE on the last day of a transitional final period**

- (1) This section applies if—
- (a) the employer became the DGE for a group—
    - (i) during a transitional year; and
    - (ii) before the commencement; and
  - (b) the employer is the DGE for the group continuously until the last day of the transitional final period; and
  - (c) immediately before becoming the DGE for the group, the employer was a member of the group.
- (2) For working out the employer's final liability for the transitional final period—
- (a) taxable wages paid or payable by the employer for the period (the *group member period*) in the year during which the employer was a member of the group must be included in the employer's final wages for the final period; and
  - (b) payroll tax paid or payable by the employer for the group member period must be included in the employer's periodic liability amount for the final period; and
  - (c) the employer's final deduction must be worked out having regard to each of the following—

- (i) the days in the year before the final period starts on which any employer paid, or was liable to pay, wages as a member of the group, even if the employer to whom this section applies was not a member of the group on those days;
  - (ii) the taxable wages and interstate wages paid or payable by any employer, as a member of the group, on the days mentioned in subparagraph (i); and
- (d) even if section 42(1)(a) does not apply, the employer's liability is the final adjustment amount if the employer was required, under previous part 3, to furnish a return during the year when the employer was a member of the group.
- (3) The employer's final return for the transitional final period must state the wages that were paid or payable, as a member of the group, by an employer—
  - (a) during the final period; and
  - (b) on the days in the transitional year mentioned in subsection (2)(c)(i).
- (4) Subsection (3) applies despite section 64(3)(b).

## **Division 7                      Miscellaneous provisions**

### **118      Commissioner assessment—employer who becomes a DGE in a transitional year before commencement**

- (1) This section applies in relation to an employer if—
  - (a) the employer becomes the DGE for a group—
    - (i) during a transitional year; and
    - (ii) before the commencement; and
  - (b) either—
    - (i) the employer—



- 
- (A) lodges, or is required under section 64 to lodge, a final return for a change of status happening in the transitional year after the commencement; and
    - (B) is the DGE for the group on the last day of the final period; or
  - (ii) if subparagraph (i) does not apply, the employer—
    - (A) lodges, or is required under section 63 to lodge, an annual return for the transitional year; and
    - (B) is the DGE for the group on 30 June in the year.
- (2) The commissioner must make a reassessment of the employer's final liability or annual liability, as applicable, to reduce the relevant deduction by the total amount of the deductions claimed during the year under previous section 16I by any earlier DGE for the group.
- (3) Also, in making an original assessment of the employer's final liability or annual liability, as applicable, the commissioner must reduce the relevant deduction by the total amount of the deductions claimed during the year under previous section 16I by any earlier DGE for the group.
- (4) In this section—
- earlier DGE*, for the group, means an employer who was the DGE for the group at any time during the transitional year before the employer to whom this section applies becomes the DGE for the group.
- relevant deduction* means—
- (a) for an employer to whom subsection (1)(b)(i) applies—the employer's final deduction for the final period; or
  - (a) for an employer to whom subsection (1)(b)(ii) applies—the employer's annual deduction for the transitional year.

**119 Commissioner assessment—employer who ceases to be a DGE in a transitional year before commencement**

- (1) This section applies in relation to an employer who—
  - (a) ceases to be the DGE for a group—
    - (i) during a transitional year; and
    - (ii) before the commencement; and
  - (b) either—
    - (i) the employer lodges, or is required under section 64 to lodge, a final return for a change of status happening in the transitional year after the commencement; or
    - (ii) if subparagraph (i) does not apply—lodges, or is required under section 63 to lodge, an annual return for the transitional year.
- (2) The commissioner must make a reassessment of the employer's final liability or annual liability, as applicable, to reduce the relevant wages by the total amount of the deductions claimed by the employer under previous section 16I during the year.
- (3) Also, in making an original assessment of the employer's final liability or annual liability, as applicable, the commissioner must reduce the relevant wages by the total amount of the deductions claimed by the employer under previous section 16I during the year.
- (4) In this section—

*relevant wages* means—

  - (a) for an employer to whom subsection (1)(b)(i) applies—the employer's final wages for the final period; or
  - (b) for an employer to whom subsection (1)(b)(ii) applies—the employer's annual wages for the transitional year.

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**120 Delegations under previous s 4A**

A delegation under previous section 4A in force immediately before the commencement continues in force.

**121 Employers registered under previous s 12 immediately before commencement**

An employer who is registered as an employer under previous section 12 immediately before the commencement is, on and from the commencement, taken to be registered under part 3, division 1.

**122 Notices given by commissioner under previous s 13**

- (1) A notice given by the commissioner under previous section 13(2)(a) and in force immediately before the commencement is, on and from the commencement, taken to be a notice given under section 59(2).
- (2) A notice given by the commissioner under previous section 13(2)(b) and in force immediately before the commencement is, on and from the commencement, taken to be a notice given under section 60(2).

**123 Continuing effect of exemptions given by commissioner under previous s 14**

- (1) This section applies if—
  - (a) the commissioner issued a certificate (an *existing exemption*), under previous section 14, exempting an employer from lodging monthly returns; and
  - (b) the existing exemption was in force immediately before the commencement.
- (2) The existing exemption is, on the commencement, taken to be a certificate exempting the employer from the requirement under section 59 to lodge periodic returns.
- (3) To remove doubt, it is declared that the employer is required to lodge annual returns under section 63 even if the existing

exemption states the employer is not required to lodge returns for each financial year.

## **124 Continuing use of particular forms**

A form approved before the commencement relating to a provision of this Act repealed by the amending Act may continue to be used after the commencement to facilitate the operation of this part.

## **125 Application of ss 83 and 84**

A refund to which section 83 or 84 applies may be applied under the section as payment for a liability mentioned in section 83(2) or 84(2), as applicable, even if the liability—

- (a) arose before the commencement; or
- (b) is for a transitional return period.

## **126 Application of s 88 notification requirement in relation to a transitional year**

- (1) This section applies to an employer who is a non-DGE group member—
  - (a) at any time during a transitional year, if the employer who is the DGE for the group on 30 June in the year became the DGE before the commencement; or
  - (b) if there is a transitional final period for the DGE for the group—at any time in the transitional year on or before the last day of the final period.
- (2) If subsection (1)(a) applies, the wages the employer must notify to the DGE under section 88(2) are the taxable wages and interstate wages paid or payable by the employer, as a member of the group, during the transitional year.
- (3) If subsection (1)(b) applies, the wages the employer must notify to the DGE under section 88(2) are the taxable wages and interstate wages paid or payable by the employer, as a

member of the group, at any time in the transitional year on or before the last day of the DGE's transitional final period.

- (4) Subsections (2) and (3) apply despite section 88(2)(a) and (b).

### **127 Application of s 89 to particular liquidators**

- (1) This section applies to a person who—
- (a) becomes a liquidator within 14 days before the commencement; and
  - (b) does not give notice of the matter under previous section 25 before the commencement.
- (2) Section 89 applies to the liquidator as if the time within which the person is required to give notice under section 89(2) were 14 days after the commencement.

### **128 Application of s 94 to particular employers**

- (1) This section applies to an employer—
- (a) whose address for service changes within 1 month before the commencement; and
  - (b) who does not give notice of the change under the *Payroll Tax Regulation 1999*, section 26, before the commencement.
- (2) Section 94 applies to the employer as if the time within which the person is required to give notice under section 94 were 1 month after the commencement.

### **129 References in amended Act**

For the application of this part, if the context permits, a reference in the amended Act—

- (a) to periodic liability includes a reference to liability for payroll tax under previous part 3; and
- (b) to a periodic return includes a reference to a return under previous section 13; and

- (c) to a periodic return period includes a reference to a previous return period or a transitional return period; and
- (d) to a return date includes a reference to the date by which a return is required to be furnished under previous section 13; and
- (e) to an employer required under section 59 to lodge a periodic return includes a reference to an employer required under previous section 13 to furnish a return; and
- (f) to an employer authorised under section 60 to lodge periodic returns for periods other than a month includes a reference to an employer authorised under previous section 13(2)(b) to furnish returns for periods other than a month; and
- (g) to unpaid tax interest includes a reference to penal tax under previous section 22; and
- (h) to penalty tax includes a reference to additional tax under previous section 18.

### **130 Transitional regulation-making power**

- (1) A regulation (a *transitional regulation*) may make provision about a matter for which—
  - (a) it is necessary to make provision to allow or facilitate the doing of anything to achieve the transition from the operation of the previous provisions of this Act to the operation of the amended Act and the Administration Act; and
  - (b) this Act does not make provision or sufficient provision.
- (2) A transitional regulation may have retrospective operation to a day not earlier than the commencement.
- (3) A transitional regulation must declare it is a transitional regulation.

- (4) This section and any transitional regulation expire 5 years after the commencement.

## Part 8 Transitional provisions for Payroll Tax (Harmonisation) Amendment Act 2008

### 131 Interpretation of amended provisions

- (1) The amendments made to this Act by the *Payroll Tax (Harmonisation) Amendment Act 2008* are intended to enhance the consistency of this Act with the *Payroll Tax Act 2007* (NSW) and the *Payroll Tax Act 2007* (Vic).

*Note—*

Minor variations in language used in some of the amended provisions are not intended to alter their meaning from the corresponding provisions in the New South Wales and Victorian Acts. For example—

- the phrase “in relation to” used in sections 13B to 13D, 13E(1), 13F, 13I and 13J(1) and (2)(a), is intended to have the same meaning as the phrase “for or in relation to”, or “to or in relation to”, used in the corresponding provisions; and
- the phrase “in connection with” used in sections 66 and 70(1), (2) and (3)(a) is intended to have the same meaning as the phrase “for or in connection with” used in the corresponding provisions.

- (2) However, this section does not apply to the extent—
- (a) the *Payroll Tax (Harmonisation) Amendment Act 2008* inserted section 14(2)(k)(iii) of this Act; or
  - (b) section 14A, as inserted by the *Payroll Tax (Harmonisation) Amendment Act 2008*, section 11, applies to paternity leave.

[s 132]

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**132 Application of amended Act**

This Act, as amended by the *Payroll Tax (Harmonisation) Amendment Act 2008*, applies in relation to wages paid or payable on or after 1 July 2008.

**133 Application of avoidance provision for employment agency contracts**

Section 13L applies to employment agency contracts made before, on or after the commencement of this section.

**134 Continuation of orders excluding person from group**

- (1) This section applies if—
  - (a) an order excluding a person from a group, made by the commissioner under section 68, 69, 70 or 71, as it was in force before 1 July 2008, is in effect immediately before 1 July 2008; and
  - (b) the composition of the group is not changed, other than the order mentioned in paragraph (a) no longer having effect, because of the commencement of the *Payroll Tax (Harmonisation) Amendment Act 2008*.
- (2) The order mentioned in paragraph (a) is taken to be an exclusion order made by the commissioner under section 74(1).



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# Schedule Dictionary

## section 2

**actual periodic deduction**, for part 2, division 3, subdivision 1, see section 17.

**Administration Act** means the *Taxation Administration Act 2001*.

**administrator** see the Administration Act, schedule 2.

**aggregate interest**, for part 4, division 2A, see section 74B.

**amended**, for part 7, see section 98.

**amended Act**, for part 7, see section 98.

**amending Act**, for part 7, see section 98.

**annual adjustment amount**—

- (a) for part 2, division 4, subdivision 1, see section 29(1); and
- (b) for part 2, division 4, subdivision 2, see section 33.

**annual deduction**—

- (a) for part 2, division 4, subdivision 1, see section 29(1); and
- (b) for part 2, division 4, subdivision 2, see section 33.

**annual liability**—

- (a) for an employer other than the DGE for a group—see section 30(1); and
- (b) for the DGE for a group—see section 34(1).

**annual payroll tax amount**—

- (a) for part 2, division 4, subdivision 1, see sections 29(1) and 48(4); and
- (b) for part 2, division 4, subdivision 2, see section 33.

***annual refund amount***—

- (a) for an employer other than the DGE for a group—see section 31(2); or
- (b) for the DGE for a group—see section 35(2).

***annual return*** means a return mentioned in section 63.

***annual wages***—

- (a) for part 2, division 4, subdivision 1, see section 29(1); and
- (b) for part 2, division 4, subdivision 2, see section 33.

***approved form*** see section 96.

***approved information system*** see the Administration Act, schedule 2.

***assessed interest***, see the Administration Act, section 54(3).

***assessment*** see the Administration Act, schedule 2.

***associated persons***, for part 4, division 2A, see section 74B.

***Australia*** means the States.

***averaging method***, for part 2, division 1D, subdivision 1, see section 13X.

***averaging period***, for part 2, division 1D, subdivision 1, see section 13X.

***business***, for part 4, see section 66.

***business journey***, for part 2, division 1D, subdivision 1, see section 13X.

***business vehicle***, for part 2, division 1D, subdivision 1, see section 13X.

***calculation day***—

- (a) for part 2, division 3, subdivision 1, see section 18; and
- (b) for part 2, division 3, subdivision 2, see section 24.

***change of status*** see section 5(1).

***commencement***, for part 7, see section 98.

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**commissioner** means the Commissioner of State Revenue appointed under the Administration Act.

**company** includes all bodies and associations (corporate and unincorporate) and partnerships.

**continuous recording method**, for part 2, division 1D, subdivision 1, see section 13X.

**contract**, for part 2, division 1A, see section 13A.

**corporation** see the Corporations Act.

**corresponding law** means—

- (a) in relation to Queensland—a law in force in Queensland imposing on employers a tax on wages paid or payable by them and the assessment and collection of the tax, but does not include this Act; and
- (b) in relation to another State—means a law in force in the State imposing on employers a tax on wages paid or payable by them and the assessment and collection of the tax.

**criteria for registration**, for part 3, division 1, see section 52.

**designated group employer**, in relation to a group, means the member of that group who under section 75 is for the time being the designated group employer in respect of that group.

**designated period**, for an employer who is the DGE for a group on 30 June in a financial year—

- (a) means the part of the year for which the employer was the DGE for the group; but
- (b) does not include a part of the year for which the DGE lodged, or was required under section 64 to lodge, a final return.

**DGE** means designated group employer.

**direct interest**, for part 4, division 2A, see section 74B.

**director**—

- (a) of a company, includes a member of the governing body of the company; and

(b) for part 2, division 1C, see section 13N.

**employer** means any person who pays or is liable to pay any wages and includes the Crown in right of the State of Queensland and any person taken to be an employer under another provision of this Act.

*Note—*

For provisions under which persons are taken to be employers, see, for example, sections 13C (relevant contract employers) and 13H (employment agents under employment agency contracts).

**employment agency contract** see section 13G(1).

**employment agent**, under an employment agency contract, see section 13G(1).

**entitled group member**, for part 2, division 6, see section 44.

**excess deduction**, for part 2, division 6, see section 45(2).

**false or misleading** includes false or misleading because of the omission of a statement.

**final adjustment amount—**

(a) for part 2, division 5, subdivision 1, see section 37; and

(b) for part 2, division 5, subdivision 2, see section 41.

**final deduction—**

(a) for part 2, division 5, subdivision 1, see section 37; and

(b) for part 2, division 5, subdivision 2, see section 41.

**final liability—**

(a) for an employer other than the DGE for a group—see section 38(1); and

(b) for the DGE for a group—see section 42(1).

**final payroll tax amount—**

(a) for part 2, division 5, subdivision 1, see sections 37 and 49(4); and

(b) for part 2, division 5, subdivision 2, see section 41.

**final period** see section 6.

***final refund amount***—

- (a) for an employer other than the DGE for a group—see section 39(2); or
- (b) for the DGE for a group—see section 43(2).

***final return*** means a return mentioned in section 64.

***final wages***—

- (a) for part 2, division 5, subdivision 1, see section 37; and
- (b) for part 2, division 5, subdivision 2, see section 41.

***fixed periodic deduction***—

- (a) for part 2, division 3, subdivision 1, see section 17; and
- (b) for part 2, division 3, subdivision 2, see section 23.

***foreign wages*** means wages that are not taxable wages and are not interstate wages.

***fringe benefit*** means—

- (a) a benefit that, in relation to an employee, or an employer of an employee, is a fringe benefit under the Fringe Benefits Assessment Act; or
- (b) anything prescribed by regulation to be a fringe benefit; but does not include—
- (c) a car parking fringe benefit within the meaning of that Act; or
- (d) anything prescribed by regulation not to be a fringe benefit.

***Fringe Benefits Assessment Act*** means the *Fringe Benefits Tax Assessment Act 1986* (Cwlth).

***granted***, for part 2, division 1C, see section 13N.

***grantee***, for part 2, division 1C, see section 13N.

***grantor***, for part 2, division 1C, see section 13N.

***group*** means a group constituted under part 4.

***group member*** means a person who is a member of a group.

***indirect interest***, for part 4, division 2A, see section 74B.

***interstate wages*** means wages that are taxable wages within the meaning of a corresponding law.

***liquidator*** means the person who, whether or not appointed as liquidator, is the person required by law to carry out the winding-up of a company.

***non-DGE group member*** means a group member, other than the DGE for the group.

***number of exempt kilometres***, for part 2, division 1D, subdivision 1, see section 13X.

***option*** means an option or right, whether actual, prospective or contingent, of a person to—

- (a) acquire a share; or
- (b) have a share transferred or allotted to the person.

***order of entitled group members***, for part 2, division 6, see section 44.

***original assessment*** see the Administration Act, schedule 2.

***paid or payable***, in relation to wages that are fringe benefits, means—

- (a) paid;
- (b) if another meaning is prescribed by regulation—that meaning.

***partial amount***, for a periodic return period, means the amount worked out using the following formula—

$$PA = PL \times \frac{X}{Y}$$

***where—***

***PA*** means the partial amount in dollars.

***PL*** means the employer's periodic liability for the period.

***X*** means the number of days in the period that are in the final period.

***Y*** means the total number of days in the period.

**pay**, in relation to wages, includes provide, confer and assign.

**payroll tax** means payroll tax chargeable under section 10.

**penalty tax** see the Administration Act, section 58(1).

**periodic liability**—

- (a) for an employer other than the DGE for a group, see section 20(1); or
- (b) for the DGE for a group, see section 26.

**periodic liability amount**, for an employer for a final period, means the sum of—

- (a) the employer's periodic liability for a periodic return period wholly within the final period, even if the return date for lodging the periodic return is after the return date for lodging the final return; and
- (b) for a day in the final period not included in a periodic return period mentioned in paragraph (a)—the partial amount for the periodic return period that includes the day, even if the return date for lodging the periodic return is after the return date for lodging the final return.

**periodic return** means a return mentioned in section 59.

**periodic return period**, for lodgement of periodic returns by an employer, means the period under section 60 for which the employer is required to lodge periodic returns.

**post-commencement liability**, for part 7, see section 98.

**pre-commencement act or omission**, for part 7, see section 98.

**pre-commencement liability**, for part 7, see section 98.

**prescribed payroll tax liability** means a liability for any of the following—

- (a) payroll tax;
- (b) unpaid tax interest in relation to an assessment of liability for payroll tax;
- (c) penalty tax in relation to an assessment of liability for payroll tax;

- (d) any other amount payable under this Act or the Administration Act, or a liability to pay costs ordered by a court or QCAT, in relation to payroll tax.

*prescribed period*, for part 7, see section 98.

*previous*, for part 7, see section 98.

*previous return period*, for part 7, see section 98.

*private company*, for part 4, division 2A, see section 74B.

*reasonably believes* see the Administration Act, schedule 2.

*reassessment* see the Administration Act, schedule 2.

*related body corporate*, for part 4, see section 66.

*related persons*, for part 4, division 2A, see section 74B.

*relevant contract* see section 13B.

*relevant contract employee* see section 13A.

*relevant contract employer* see section 13C(3).

*relevant day*, for part 2, division 1C, see section 13N.

*relevant employer*, for part 3, division 2, see section 58.

*relevant entity*, for part 4, division 2A, see section 74B.

*relevant financial year*, for part 2, division 6, see section 44.

*relevant group employer*—

- (a) for part 2, division 4, subdivision 2, see section 33; and

- (b) for part 2, division 5, subdivision 2, see section 41.

*relevant percentage*, for part 2, division 1D, subdivision 1, see section 13X.

*re-supply*, for part 2, division 1A, see section 13A.

*return* means a form approved for lodgement by an employer.

*return date*, for lodgement of a periodic return, annual return or final return by an employer, means the date by which the employer is required under part 3, division 2 to lodge the return and pay tax.



***return period***, in relation to an employer, means each of the following periods for which the employer is required under this Act to lodge a return—

- (a) a periodic return period;
- (b) a financial year;
- (c) a final period.

***self assessment*** see the Administration Act, schedule 2.

***service provider***, in relation to an employment agency contract, see section 13G(1).

***services***, for part 2, division 1A, see section 13A.

***share***—

- (a) means a share in a company; and
- (b) includes a stapled security under the *Income Tax Assessment Act 1936* (Cwlth), section 139GCD.

***significant wage change***—

- (a) for part 2, division 3, subdivision 1, see section 19; and
- (b) for part 2, division 3, subdivision 2, see section 25.

***State*** includes a Territory.

***superannuation contribution*** see section 3.

***supply***, for part 2, division 1A, see section 13A.

***tax*** see the Administration Act, schedule 2.

***taxable wages*** means wages that, under section 9, are liable to payroll tax.

***tax law liability*** see the Administration Act, schedule 2.

***termination payment*** see section 3A.

***transitional final period***, for part 7, see section 98.

***transitional return period***, for part 7, see section 98.

***transitional year***, for part 7, see section 98.

**trustee**, in addition to every person appointed or constituted trustee by act of parties, by order or declaration of a court or by operation of law, includes—

- (a) an executor or administrator, guardian, committee, receiver or liquidator; and
- (b) every person having or taking upon himself or herself the administration or control of any real or personal property affected by any express or implied trust, or acting in any fiduciary capacity, or having the possession, control or management of any real or personal property of a person under any legal or other disability.

**unpaid tax interest** see the Administration Act, section 54(1).

**vesting day**, for part 2, division 1C, see section 13N.

**voting share** see the Corporations Act, part 1.2, section 9.

**wages**, for part 2, division 5, subdivision 1, see section 37.

**wages** means any wages, remuneration, salary, commission, bonuses or allowances paid or payable (whether at piecework rates or otherwise and whether paid or payable in cash or in kind) to an employee as an employee, and, without limiting the generality of the foregoing, includes—

- (a) any amount paid or payable by way of remuneration to a person holding office under the Crown in right of the State of Queensland or in the service of the Crown in right of the State of Queensland; and
- (b) any amount paid or payable under any prescribed classes of contracts to the extent to which that payment is attributable to labour; and
- (c) any amount paid or payable by a company by way of remuneration to a director of that company; and
- (d) any amount paid or payable by way of commission to an insurance or time payment canvasser or collector; and
- (e) the provision by the employer of meals or sustenance or the use of premises or quarters as consideration or part consideration for the employee's services; and

- (f) fringe benefits; and
- (g) a superannuation contribution, other than a superannuation contribution—
  - (i) paid or payable by a company for a director of the company before 1 July 2008; or
  - (ii) for services performed or rendered by an employee before 1 January 2000; and
- (h) a termination payment; and
- (i) an amount taken to be wages under another provision of this Act; and

*Note—*

See, for example, sections 13E (amounts paid or payable under a relevant contract), 13J (amounts paid or payable under an employment agency contract) and 51 (amounts paid or payable by or to third parties).

- (j) a share or option granted—
  - (i) by an employer to an employee in respect of services performed or rendered by the employee; or
  - (ii) by a company to a director of the company by way of remuneration for the appointment or services of the director.

*Note—*

See part 2, division 1C for provisions that apply for interpreting this paragraph.

## Endnotes

### 1 Index to endnotes

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### 2 Date to which amendments incorporated

This is the reprint date mentioned in the Reprints Act 1992, section 5(c). Accordingly, this reprint includes all amendments that commenced operation on or before 1 December 2009. Future amendments of the Payroll Tax Act 1971 may be made in accordance with this reprint under the Reprints Act 1992, section 49.

### 3 Key

#### Key to abbreviations in list of legislation and annotations

Key	Explanation	Key	Explanation
AIA	= Acts Interpretation Act 1954	(prev)	= previously
amd	= amended	proc	= proclamation
amdt	= amendment	prov	= provision
ch	= chapter	pt	= part
def	= definition	pubd	= published
div	= division	R[X]	= Reprint No. [X]
exp	= expires/expired	RA	= Reprints Act 1992
gaz	= gazette	reloc	= relocated
hdg	= heading	renum	= renumbered
ins	= inserted	rep	= repealed
lap	= lapsed	(retro)	= retrospectively
notfd	= notified	rv	= revised edition
num	= numbered	s	= section
o in c	= order in council	sch	= schedule
om	= omitted	sdiv	= subdivision
orig	= original	SIA	= Statutory Instruments Act 1992
p	= page	SIR	= Statutory Instruments Regulation 2002
para	= paragraph	SL	= subordinate legislation
prec	= preceding	sub	= substituted
pres	= present	unnum	= unnumbered
prev	= previous		

### 4 Table of reprints

Reprints are issued for both future and past effective dates. For the most up-to-date table of reprints, see the reprint with the latest effective date.

If a reprint number includes a letter of the alphabet, the reprint was released in unauthorised, electronic form only.

Reprint No.	Amendments to	Effective	Reprint date
1	1995 Act No. 57	28 November 1995	18 January 1996
2	1996 Act No. 70	9 December 1996	21 January 1997
2A	1997 Act No. 43	25 August 1997	25 November 1997
2B	1999 Act No. 13	1 July 1999	13 July 1999
2C	1999 Act No. 78	14 December 1999	21 December 1999
2D	2000 Act No. 20	1 July 2000	5 July 2000
2E	2000 Act No. 48	17 November 2000	20 November 2000
3	2001 Act No. 45	15 July 2001	31 July 2001
3A	2001 Act No. 72	1 March 2002	1 March 2002
3B	2002 Act No. 17	17 May 2002	28 May 2002

Reprint No.	Amendments included	Effective	Notes
3C	2002 Act No. 17	1 July 2002	

## Endnotes

Reprint No.	Amendments included	Effective	Notes
3D	2002 Act No. 56	1 December 2002	
3E	2003 Act No. 63	1 January 2004	
4	2004 Act No. 46	1 July 2005	
4A	2006 Act No. 34	1 July 2006	
4B	2008 Act No. 16 2008 Act No. 39	1 July 2008	
4C	2008 Act No. 75	11 December 2008	
4D	2009 Act No. 19	22 June 2009	
4E	2009 Act No. 22	1 July 2009	R4E withdrawn, see R5
5	—	1 July 2009	
5A	2009 Act No. 24	1 December 2009	

## 5 Tables in earlier reprints

Name of table	Reprint No.
Changed names and titles	1
Corrected minor errors	2, 4
Obsolete and redundant provisions	1
Renumbered provisions	1

## 6 List of legislation

### **Payroll Tax Act 1971 No. 37 (prev Pay-roll Tax Act 1971)**

date of assent 30 September 1971

commenced 1 September 1971 (see s 1(2)–(3))

amending legislation—

### **Pay-roll Tax Act Amendment Act 1973 No. 45**

date of assent 28 September 1973

commenced 1 September 1973 (see s 2)

### **Pay-roll Tax Act Amendment Act 1974 No. 59**

date of assent 27 September 1974

commenced 1 September 1974 (see s 2)

### **Pay-roll Tax Act Amendment Act 1975 No. 80**

date of assent 16 December 1975

commenced 1 January 1976 (see s 2)

### **Pay-roll Tax Act Amendment Act 1976 No. 77**

date of assent 14 December 1976

commenced on date of assent

**Pay-roll Tax Act Amendment Act 1977 No. 59**

date of assent 7 October 1977  
commenced on date of assent

**Pay-roll Tax Act Amendment Act 1979 No. 54**

date of assent 19 November 1979  
commenced 1 January 1980 (see s 2)

**Pay-roll Tax Act Amendment Act 1980 No. 28**

date of assent 12 May 1980  
commenced on date of assent

**Pay-roll Tax Act Amendment Act 1980 (No. 2) No. 54**

date of assent 22 September 1980  
commenced 1 January 1981 (see s 2)

**Companies (Consequential Amendments) Act 1981 No. 111 s 23 sch**

date of assent 16 December 1981  
ss 1–2 commenced on date of assent (see s 2(1))  
remaining provisions commenced 1 July 1982 (see s 2(4) and proc pubd gaz 29 June 1982 p 2102)

**Pay-roll Tax Act Amendment Act 1982 No. 64**

date of assent 13 December 1982  
commenced 1 January 1983 (see s 2)

**Pay-roll Tax Act Amendment Act 1984 No. 4**

date of assent 6 January 1984  
ss 6–7, 9, 16–17 commenced 1 January 1984 (see s 2(2))  
remaining provisions commenced on date of assent (see s 2(1))

**Pay-roll Tax Act Amendment Act 1984 (No. 2) No. 107**

date of assent 12 December 1984  
ss 1–2 commenced on date of assent (see s 2(1))  
remaining provisions commenced 1 January 1985 (see s 2(2))

**Pay-roll Tax Act Amendment Act 1985 No. 100**

date of assent 13 December 1985  
s 4(a) commenced 1 October 1984 (see s 2(2))  
ss 4(b), 5, 7–8, 10 and 13 commenced 1 January 1986 (see s 2(3))  
remaining provisions commenced on date of assent (see s 2(1))

**Pay-roll Tax Act Amendment Act 1986 No. 50**

date of assent 25 September 1986  
ss 1–2 commenced on date of assent (see s 2(1))  
remaining provisions commenced 1 January 1987 (see s 2(2))

**Pay-roll Tax Act Amendment Act 1988 No. 99**

date of assent 8 December 1988  
ss 1–2 commenced on date of assent (see s 2(1))  
remaining provisions commenced 1 January 1989 (see s 2(2))

**Pay-roll Tax Act Amendment Act 1990 No. 22**

date of assent 13 June 1990  
s 6 commenced 1 November 1989 (see s 3(2))  
ss 5, 7–9 commenced 1 January 1990 (see s 3(3))  
remaining provisions commenced on date of assent (see s 3(1))

**Corporations (Consequential Amendments) Act 1990 No. 99 ss 1.1–1.2, 3.1 sch**

date of assent 12 December 1990  
ss 1.1–1.2 commenced on date of assent (see s 1.2(1))  
remaining provisions commenced 1 January 1991 (proc pubd gaz 22 December 1990 p 2270)

**Pay-roll Tax Amendment Act 1991 No. 74**

date of assent 21 November 1991  
ss 4–7 commenced 1 January 1992 (see s 2)  
remaining provisions commenced on date of assent

**Statute Law (Miscellaneous Provisions) Act 1992 No. 36 ss 1–2 sch 1**

date of assent 2 July 1992  
commenced on date of assent

**Pay-roll Tax Amendment Act 1992 No. 54**

date of assent 30 November 1992  
ss 4–7 commenced 1 January 1993 (see s 2)  
remaining provisions commenced on date of assent

**Revenue Laws Amendment Act 1993 No. 51 pts 1, 4**

date of assent 25 October 1993  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 January 1994 (see s 2(3))

**Revenue Laws Amendment Act 1995 No. 28 pts 1, 3**

date of assent 14 June 1995  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 1995 (see s 2(1))

**Revenue Laws Amendment Act (No. 2) 1995 No. 44 pts 1, 3**

date of assent 22 November 1995  
s 11 commenced 1 July 1995 (see s 2(2))  
remaining provisions commenced on date of assent

**Statute Law Revision Act 1995 No. 57 ss 1–2, 4 sch 1 (this Act is amended, see amending legislation below)**

date of assent 28 November 1995  
commenced on date of assent

amending legislation—

**Statute Law Revision Act (No. 2) 1995 No. 58 ss 1–2, 4 sch 1 (amends 1995 No. 57 above)**

date of assent 28 November 1995  
commenced on date of assent



**Revenue Laws Amendment Act 1996 No. 48 pts 1, 3**

date of assent 15 November 1996  
commenced on date of assent

**Revenue Laws Amendment Act (No. 2) 1996 No. 70 pts 1, 4**

date of assent 9 December 1996  
commenced on date of assent

**Revenue Laws Amendment Act 1997 No. 43 s 1 pt 3**

date of assent 25 August 1997  
commenced on date of assent

**Revenue and Other Legislation Amendment Act 1999 No. 13 ss 1, 2(7) pt 5**

date of assent 30 March 1999  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 1999 (1999 SL No. 82)

**Revenue and Other Legislation Amendment Act (No. 2) 1999 No. 49 ss 1, 2(3) pt 4 s 38 sch**

date of assent 4 November 1999  
commenced on date of assent

**Revenue Laws Amendment Act 1999 No. 78 s 1 pt 3**

date of assent 14 December 1999  
commenced on date of assent

**GST and Related Matters Act 2000 No. 20 ss 1, 2(4), 29 sch 3**

date of assent 23 June 2000  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 2000 (see s 2(4))

**Revenue Laws Amendment Act 2000 No. 48 pts 1, 3**

date of assent 17 November 2000  
s 6(1) commenced 1 July 2000 (see s 2(1))  
s 6(2) commenced 8 September 2000 (see s 2(2))  
remaining provisions commenced on date of assent

**Corporations (Ancillary Provisions) Act 2001 No. 45 ss 1–2, 29 sch 3**

date of assent 28 June 2001  
sch 3 commenced 15 July 2001 (see s 2(2) of Act 2001 No. 45 (Qld) and Corporations Act 2001 No. 50 (Cwlth) and proc pubd Cwlth of Australia gaz 13 July 2001, No. S285)  
remaining provision commenced immediately before 15 July 2001 (see s 2(1) of Act 2001 No. 45 (Qld) and Corporations Act 2001 No. 50 (Cwlth) and proc pubd Cwlth of Australia gaz 13 July 2001, No. S285))

**Duties Act 2001 No. 71 ss 1–2(1), 551 sch 1**

date of assent 13 November 2001  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 March 2002 (2002 SL No. 10)

**Taxation Administration Act 2001 No. 72 ss 1–2, 164 sch 1**

date of assent 13 November 2001

Endnotes

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ss 1–2 commenced on date of assent  
remaining provisions commenced 1 March 2002 (2002 SL No. 12)

**Revenue and Other Legislation Amendment Act 2002 No. 17 ss 1, 2(6), (8), pt 9**

date of assent 17 May 2002  
ss 51, 53 commenced 1 July 2002 (see s 2(6))  
remaining provisions commenced on date of assent (see s 2(8))

**Treasury Legislation Amendment Act 2002 No. 56 ss 1, 2(2), pt 5**

date of assent 1 November 2002  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 December 2002 (see s 2(2))

**Training Reform Act 2003 No. 63 ss 1, 2(2), 60 sch**

date of assent 13 October 2003  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 January 2004 (2003 SL No. 293)

**Pay-roll Tax Administration Amendment Act 2004 No. 46 pts 1–2, s 41 sch**

date of assent 18 November 2004  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 2005 (2005 SL No. 8)

**Revenue Legislation Amendment Act 2006 No. 34 pts 1, 4**

date of assent 16 June 2006  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 2006 (see s 2)

**Pay-roll Tax (Harmonisation) Amendment Act 2008 No. 16**

date of assent 23 April 2008  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 2008 (see s 2)

**Revenue and Other Legislation Amendment Act 2008 No. 39 ss 1, 2(2), pt 4**

date of assent 11 June 2008  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 2008 (see s 2(2))

**Revenue and Other Legislation Amendment Act (No. 2) 2008 No. 75 s 1, pt 11**

date of assent 11 December 2008  
commenced on date of assent

**Revenue and Other Legislation Amendment Act 2009 No. 19 s 1, pt 7**

date of assent 22 June 2009  
commenced on date of assent

**Fuel Subsidy Repeal and Revenue and Other Legislation Amendment Act 2009 No. 22 ss 1–2(1), pt 12**

date of assent 22 June 2009  
ss 1–2 commenced on date of assent  
remaining provisions commenced 1 July 2009 (see s 2(1))

**Queensland Civil and Administrative Tribunal (Jurisdiction Provisions) Amendment Act 2009 No. 24 ss 1–2, ch 14 pt 8**

date of assent 26 June 2009

ss 1–2 commenced on date of assent

remaining provisions commenced 1 December 2009 (2009 SL No. 252)

## 7 List of annotations

**This reprint has been renumbered—see table of renumbered provisions in endnote 9.**

**Title** amd 2004 No. 46 s 4

### Short title

**prov hdg** amd 1995 No. 57 s 4 sch 1

**s 1** amd 1995 No. 57 s 4 sch 1; 2009 No. 19 s 54

### Dictionary

**prov hdg** sub 2004 No. 46 s 5(1)

**s 2** prev s 2 amd 1975 No. 80 s 3; 1984 No. 4 s 4

om R1 (see RA s 36)

pres s 2 amd 1975 No. 80 s 4(b)–(c); 1976 No. 77 s 2; 1984 No. 4 s 5(b); 1985 No. 100 s 4(b); 1993 No. 51 s 15(4); 1995 No. 57 s 4 sch 1; R1 (see RA s 39); 1999 No. 78 s 7 (3)–(4)

Note—orig s 3 contained definitions for this Act. Definitions are now located in the schedule (Dictionary). Annotations for definitions contained in orig s 3 are located in annotations for the schedule.

amd 2004 No. 46 s 5(4)

### Meaning of “superannuation contribution”

**s 3** ins 1999 No. 78 s 8

amd 2008 No. 16 s 4; 2009 No. 19 s 73

### Meaning of “termination payment”

**s 3A** ins 2008 No. 16 s 5

### Other provisions about meaning of “wages”—superannuation contributions and GST

**prov hdg** amd 2008 No. 16 s 6(1)

**s 4** prev s 4 amd 1995 No. 57 s 4 sch 1; 2001 No. 72 s 164 sch 1

om 2004 No. 46 s 7

pres s 4 ins 1999 No. 78 s 8

amd 2000 No. 20 s 29 sch 3; 2004 No. 46 s 41 sch; 2008 No. 16 s 6(2)–(6)

### Delegations

**prov hdg** sub 2001 No. 72 s 164 sch 1

**s 4A** ins 1995 No. 57 s 4 sch 1

amd 2001 No. 72 s 164 sch 1

om 2004 No. 46 s 7

Endnotes

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**Meaning of “change of status”**

**s 5** prev s 5 amd 1995 No. 57 s 4 sch 1; 2001 No. 72 s 164 sch 1; 2002 No. 56 s 18 om 2004 No. 46 s 7  
pres s 5 ins 2004 No. 46 s 6  
amd 2009 No. 19 s 73

**Meaning of “final period”**

**s 6** ins 2004 No. 46 s 6

**Reference to periodic return period or return period**

**s 6A** ins 2009 No. 19 s 55

**Notes in text**

**s 7** ins 2004 No. 46 s 6

**Relationship of Act with Administration Act**

**s 8** ins 2004 No. 46 s 6  
amd 2009 No. 19 s 73; 2009 No. 24 s 1876

**PART 2—ADMINISTRATION**

**pt hdg** prev pt 2 hdg om 2004 No. 46 s 7

**Division 1—Imposition of liability**

**div hdg** ins 2004 No. 46 s 41 sch

**Wages liable to payroll tax**

**prov hdg** amd 2009 No. 19 s 73  
**s 9** prev s 9 amd 1975 No. 80 s 5  
om 1979 No. 54 s 3  
pres s 9 amd 1995 No. 44 s 12  
(1A) exp 22 November 1995 (see s 9(1C))  
AIA s 20A applies (see s 6(1B))  
(1B), (1C) exp 22 November 1995 (see s 9(1C))  
amd 2004 No. 46 s 41 sch; 2008 No. 16 s 7; 2008 No. 75 s 84; 2009 No. 19 s 73

**Imposition of payroll tax on taxable wages**

**prov hdg** amd 2009 No. 19 s 73  
**s 10** amd 1973 No. 45 s 3 (retro); 1974 No. 59 s 3; 1999 No. 78 s 9; 2002 No. 17 s 52; 2009 No. 19 s 73

**When liability for payroll tax arises**

**prov hdg** amd 2009 No. 19 s 73  
**s 11** prev s 11 amd 1975 No. 80 s 7  
om 1979 No. 54 s 6  
pres s 11 ins 2004 No. 46 s 8  
amd 2009 No. 19 s 73

**Employer to pay payroll tax**

**prov hdg** amd 2009 No. 19 s 73  
**s 12** amd 2009 No. 19 s 73

**Value of taxable wages**

**s 13** ins 1993 No. 51 s 16  
amd 1999 No. 78 s 10; 2002 No. 17 s 53; 2004 No. 46 s 9; 2008 No. 16 s 8;  
2009 No. 19 s 73

**Division 1A—Contractor provisions**

**div hdg** ins 2008 No. 16 s 9

**Definitions for div 1A**

**s 13A** ins 2008 No. 16 s 9

**Meaning of “relevant contract”**

**s 13B** ins 2008 No. 16 s 9

**Persons taken to be employers**

**s 13C** ins 2008 No. 16 s 9

**Persons taken to be employees**

**s 13D** ins 2008 No. 16 s 9

**Amounts taken to be wages**

**s 13E** ins 2008 No. 16 s 9

**Liability for payroll tax for payments taken to be wages**

**prov hdg** amd 2009 No. 19 s 73

**s 13F** ins 2008 No. 16 s 9  
amd 2009 No. 19 s 73

**Division 1B—Employment agents**

**div hdg** ins 2008 No. 16 s 9

**Meaning of “employment agency contract”**

**s 13G** ins 2008 No. 16 s 9

**Persons taken to be employers**

**s 13H** ins 2008 No. 16 s 9

**Persons taken to be employees**

**s 13I** ins 2008 No. 16 s 9

**Amounts taken to be wages**

**s 13J** ins 2008 No. 16 s 9  
amd 2009 No. 19 s 73

**Liability for payroll tax for payments taken to be wages**

**prov hdg** amd 2009 No. 19 s 73

**s 13K** ins 2008 No. 16 s 9  
amd 2009 No. 19 s 73

**Employment agency contract reducing or avoiding liability to payroll tax**

**prov hdg** amd 2009 No. 19 s 73

**s 13L** ins 2008 No. 16 s 9  
amd 2009 No. 19 s 73

**Particular avoidance arrangements involving employment agents**

**prov hdg** amd 2008 No. 16 s 13(1)  
**s 13LA** (prev s 51) ins 1996 No. 70 s 21  
amd 2001 No. 71 s 551 sch 1; 2004 No. 46 s 41 sch; 2008 No. 16 s 13(2)–(4)  
renum and reloc 2008 No. 16 s 13(5)  
amd 2009 No. 19 ss 56, 73

**Division 1C—Shares and options**

**div hdg** ins 2008 No. 16 s 9

**Application of div 1C**

**13M** ins 2008 No. 16 s 9

**Definitions for div 1C**

**13N** ins 2008 No. 16 s 9

**When share or option is “granted”**

**13O** ins 2008 No. 16 s 9

**Grant of share because of exercise of option**

**13P** ins 2008 No. 16 s 9

**Day on which wages are paid or payable**

**13Q** ins 2008 No. 16 s 9

**Election by grantor of relevant day**

**s 13R** ins 2008 No. 16 s 9

**Automatic election of relevant day**

**s 13S** ins 2008 No. 16 s 9  
amd 2009 No. 19 s 73

**Effect of rescission or cancellation of share or option**

**s 13T** ins 2008 No. 16 s 9  
amd 2009 No. 19 s 73

**Value of taxable wages**

**s 13U** ins 2008 No. 16 s 9

**When services are performed**

**s 13V** ins 2008 No. 16 s 9

**Place where wages are paid or payable**

**s 13W** ins 2008 No. 16 s 9  
amd 2009 No. 19 s 73

**Division 1D—Allowances**

**div hdg** ins 2008 No. 16 s 9

**Subdivision 1—Motor vehicle allowances**

**sdiv 1 (ss 13X–13ZG)** ins 2008 No. 16 s 9

**Subdivision 2—Accommodation allowances**

**sdiv 2 (s 13ZH)** ins 2008 No. 16 s 9

**Division 2—Exemptions**

**div hdg** ins 2004 No. 46 s 41 sch

**Exemption from payroll tax**

**prov hdg** amd 2009 No. 19 s 73

**s 14** (orig s 10) amd 1980 No. 28 s 2; 1985 No. 100 s 6; 1990 No. 22 s 6 (retro);  
1995 No. 57 s 4 sch 1; 2000 No. 48 s 6 (retro); 2002 No. 56 s 19; 2003 No.  
63 s 60 sch  
reloc and renum 2004 No. 46 s 13  
amd 2008 No. 16 s 10; 2009 No. 19 s 73

**Exemption for parental and adoption leave**

**s 14A** ins 2008 No. 16 s 11  
amd 2009 No. 19 s 73

**Exemption from payroll tax—certain CWA wages**

**prov hdg** amd 2009 No. 19 s 73

**s 15** (orig s 11) ins 1995 No. 44 s 13  
reloc and renum 2004 No. 46 s 13  
amd 2004 No. 46 s 41 sch

**Division 3—Periodic liability**

**div hdg** ins 2004 No. 46 s 10

**Subdivision 1—Employer other than the DGE for a group**

**sdiv hdg** ins 2004 No. 46 s 10

**Application of sdiv 1**

**s 16** prev s 16 om 2004 No. 46 s 24  
pres s 16 ins 2004 No. 46 s 10

**Interpretation**

**s 16J** ins 1975 No. 80 s 14  
sub 1976 No. 77 s 8  
amd 1977 No. 59 s 5; 1979 No. 54 s 11; 1980 No. 54 s 6; 1982 No. 64 s 6;  
1984 No. 4 s 16 (retro); 1984 No. 107 s 7; 1985 No. 100 s 10; 1986 No. 50  
s 7; 1988 No. 99 s 7; 1990 No. 22 s 9 (retro); 1991 No. 74 s 7; 1992 No. 54  
s 7; 1995 No. 28 s 10; 1996 No. 48 s 9; 1997 No. 43 s 18  
om 2004 No. 46 s 26

**Annual adjustment**

**s 16K** ins 1975 No. 80 s 14  
amd 1979 No. 54 s 12  
om 2004 No. 46 s 26

**Adjustment of payment of pay-roll tax when members of a group cease to pay taxable wages or interstate wages during a financial year**

**s 16L** ins 1975 No. 80 s 14  
om 2004 No. 46 s 26

**Definitions for sdiv 1**

**s 17** ins 2004 No. 46 s 10

def “**actual periodic deduction**” amd 2006 No. 34 s 13; 2008 No. 39 s 29(1)  
def “**fixed periodic deduction**” amd 2006 No. 34 s 13; 2008 No. 39 s 29(2)

**Meaning of “calculation day”**

**s 18** ins 2004 No. 46 s 10  
amd 2009 No. 19 s 57

**Rounding down amounts of tax etc.**

**s 18A** ins 1992 No. 36 s 2 sch 1  
om 2004 No. 46 s 27

**Meaning of “significant wage change”**

**s 19** ins 2004 No. 46 s 10

**Amount of periodic liability**

**s 20** ins 2004 No. 46 s 10  
amd 2009 No. 19 ss 58, 73

**Determination by commissioner of fixed periodic deduction**

**prov hdg** sub 1979 No. 54 s 4(b)

**s 21** (prev s 9A) ins 1975 No. 80 s 6  
amd 1976 No. 77 s 3; 1977 No. 59 s 2  
renum 1979 No. 54 s 4(a)  
amd 1979 No. 54 s 5; 1980 No. 54 s 3; 1982 No. 64 s 3; 1984 No. 4 s 6 (retro);  
1984 No. 107 s 4; 1985 No. 100 s 5; 1986 No. 50 s 4; 1988 No. 99 s 4;  
1990 No. 22 s 5 (retro); 1991 No. 74 s 4; 1992 No. 54 s 4; 1995 No. 28 s 7;  
1995 No. 57 s 4 sch 1; 1996 No. 48 s 6; 1997 No. 43 s 15; 1999 No. 49 s 38  
sch  
sub 2004 No. 46 s 11  
amd 2009 No. 19 s 59

**Subdivision 2—DGE for a group**

**sdiv hdg** ins 2004 No. 46 s 12

**Application of sdiv 2**

**s 22** ins 2004 No. 46 s 12

**Definition for sdiv 2**

**s 23** ins 2004 No. 46 s 12  
def “**fixed periodic deduction**” amd 2006 No. 34 s 14; 2008 No. 39 s 30

**Meaning of “calculation day”**

**s 24** prev s 24 om 2004 No. 46 s 27  
pres s 24 ins 2004 No. 46 s 12  
amd 2009 No. 19 s 60

**Meaning of “significant wage change”**

**s 25** prev s 25 amd 1975 No. 80 s 16; 1981 No. 111 s 23 sch; 1990 No. 99 s 3.1 sch;  
1995 No. 57 s 4 sch 1; 2001 No. 45 s 29 sch 3  
om 2004 No. 46 s 27  
pres s 25 ins 2004 No. 46 s 12



**Amount of periodic liability**

**s 26** prev s 26 amd 1995 No. 57 s 4 sch 1  
om 2004 No. 46 s 27  
pres s 26 ins 2004 No. 46 s 12  
amd 2009 No. 19 ss 61, 73

**Determination by commissioner of fixed periodic deduction**

**s 27** prev s 27 om 2004 No. 46 s 27  
pres s 27 ins 2004 No. 46 s 12  
amd 2009 No. 19 s 62

**Subdivision 3—Rebate**

**sdiv 3 (s 27A)** ins 2009 No. 22 s 45

**Division 4—Annual liability**

**div hdg** ins 2004 No. 46 s 14

**Subdivision 1—Employer other than the DGE for a group**

**sdiv hdg** ins 2004 No. 46 s 14

**Application of sdiv 1**

**s 28** prev s 28 om 2004 No. 46 s 27  
pres s 28 ins 2004 No. 46 s 15

**Definitions for sdiv 1**

**prov hdg** sub 2004 No. 46 s 16(1)

**s 29** prev s 29 om 2004 No. 46 s 27  
pres s 29 ins 1975 No. 80 s 8  
amd 1976 No. 77 s 4; 1977 No. 59 s 3; 1979 No. 54 s 7; 1980 No. 54 s 4; 1982  
No. 64 s 4; 1984 No. 4 s 7 (retro); 1984 No. 107 s 5; 1985 No. 100 s 7;  
1986 No. 50 s 5; 1988 No. 99 s 5; 1990 No. 22 s 7 (retro); 1991 No. 74 s 5;  
1992 No. 54 s 5; 1995 No. 28 s 8; 1996 No. 48 s 7; 1997 No. 43 s 16; 2004  
No. 46 s 16(2)–(5)  
def “**annual adjustment amount**” amd 2009 No. 19 s 73  
def “**annual deduction**” amd 2006 No. 34 s 15; 2008 No. 39 s 31; 2009 No.  
19 s 63  
def “**annual payroll tax amount**” amd 2009 No. 19 s 73

**Amount of annual liability**

**s 30** prev s 30 om 2004 No. 46 s 27  
pres s 30 ins 1975 No. 80 s 9  
amd 1976 No. 77 s 5; 1979 No. 54 s 8  
sub 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Entitlement to annual refund amount**

**s 31** prev s 31 amd 1995 No. 57 s 4 sch 1  
om 2004 No. 46 s 27  
pres s 31 ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Subdivision 2—DGE for a group**

**sdiv hdg** ins 2004 No. 46 s 17

**Application of sdiv 2**

**s 32** prev s 32 om 2004 No. 46 s 29  
pres s 32 ins 2004 No. 46 s 17

**Definitions for sdiv 2**

**s 33** prev s 33 om 2004 No. 46 s 29  
pres s 33 ins 2004 No. 46 s 17  
def “**annual adjustment amount**” amd 2009 No. 19 s 73  
def “**annual deduction**” amd 2006 No. 34 s 16; 2008 No. 39 s 32; 2009 No.  
19 s 64  
def “**annual payroll tax amount**” amd 2009 No. 19 s 73

**Amount of DGE’s annual liability**

**s 34** prev s 34 om 2004 No. 46 s 29  
pres s 34 ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Entitlement to annual refund amount**

**s 35** prev s 35 amd 1985 No. 100 s 11; 1995 No. 57 s 4 sch 1  
om 2004 No. 46 s 29  
pres s 35 ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Subdivision 3—Rebate**

**sdiv 3 (s 35A)** ins 2009 No. 22 s 46

**Division 5—Final liability**

**div hdg** ins 2004 No. 46 s 17

**Subdivision 1—Employer other than the DGE for a group**

**sdiv hdg** ins 2004 No. 46 s 17

**Application of sdiv 1**

**s 36** prev s 36 amd 1973 No. 45 s 4 (retro)  
om 2004 No. 46 s 29  
pres s 36 ins 1975 No. 80 s 9  
sub 2004 No. 46 s 17

**Definitions for sdiv 1**

**s 37** ins 2004 No. 46 s 17  
def “**final adjustment amount**” amd 2009 No. 19 s 73  
def “**final deduction**” amd 2006 No. 34 s 17; 2008 No. 39 s 33; 2009 No. 19 s  
65  
def “**final payroll tax amount**” amd 2009 No. 19 s 73

**Amount of final liability**

**s 38** prev s 38 amd 1985 No. 100 s 12  
om 2004 No. 46 s 29  
pres s 38 ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Entitlement to final refund amount**

- s 39** prev s 39 om 2004 No. 46 s 29  
pres s 39 ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Subdivision 2—DGE for a group**

- sdiv hdg** ins 2004 No. 46 s 17

**Application of sdiv 2**

- s 40** prev s 40 amd 1995 No. 57 s 4 sch 1  
om 2004 No. 46 s 29  
pres s 40 ins 2004 No. 46 s 17

**Definitions for sdiv 2**

- s 41** ins 2004 No. 46 s 17  
def “**final adjustment amount**” amd 2009 No. 19 s 73  
def “**final deduction**” amd 2006 No. 34 s 18; 2008 No. 39 s 34; 2009 No. 19 s  
66  
def “**final payroll tax amount**” amd 2009 No. 19 s 73

**Amount of DGE’s final liability**

- s 42** ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Entitlement to final refund amount**

- s 43** ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Subdivision 3—Rebate**

- sdiv 3 (s 43A)** ins 2009 No. 22 s 47

**Division 6—Sharing of excess deduction by group members**

- div hdg** ins 2004 No. 46 s 17

**Definitions for div 6**

- s 44** ins 2004 No. 46 s 17

**Meaning of “excess deduction”**

- s 45** prev s 45 om 2004 No. 46 s 33  
pres s 45 ins 2004 No. 46 s 17

**Nomination by DGE of group members to share in excess deduction**

- s 46** prev s 46 amd 1975 No. 80 s 19; 1995 No. 57 s 4 sch 1; 1999 No. 49 s 38 sch;  
2001 No. 72 s 164 sch 1  
om 2004 No. 46 s 33  
pres s 46 ins 2004 No. 46 s 17

**Affidavit evidence in proceedings for recovery of tax**

- s 46A** ins 1999 No. 13 s 33  
om 2004 No. 46 s 33

**Signature of commissioner**

- s 46B** ins 1999 No. 13 s 33  
om 2004 No. 46 s 33

Endnotes

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**Commissioner's certificate**

**s 46C** ins 1999 No. 13 s 33  
om 2004 No. 46 s 33

**Determination by commissioner of group members to share in excess deduction**

**s 47** prev s 47 amd 1981 No. 111 s 23 sch; 1995 No. 57 s 4 sch 1; 2001 No. 45 s 29  
sch 3  
om 2004 No. 46 s 33  
pres s 47 ins 2004 No. 46 s 17

**Sharing of excess deduction by entitled group members at end of financial year**

**s 48** prev s 48 om 2004 No. 46 s 33  
pres s 48 ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Sharing of excess deduction by entitled group members on group ceasing to exist**

**s 49** prev s 49 om 2004 No. 46 s 33  
pres s 49 ins 2004 No. 46 s 17  
amd 2009 No. 19 s 73

**Division 6A—Sharing of excess rebate by group members**

**div 6A (ss 49A–49F)** ins 2009 No. 22 s 48

**Division 7—Avoidance arrangements**

**div hdg** ins 2004 No. 46 s 41 sch

**Arrangements for avoidance of tax may be disregarded**

**s 50** prev s 50 om 2004 No. 46 s 33  
pres s 50 ins 1984 No. 4 s 8  
amd 2008 No. 16 s 12; 2009 No. 19 s 73

**Division 8—Miscellaneous provisions**

**div 8 (ss 51–51A)** ins 2008 No. 16 s 14

**PART 3—REGISTRATION AND RETURNS**

**Division 1—Registration**

**div hdg** ins 2004 No. 46 s 41 sch

**Meaning of “criteria for registration”**

**s 52** orig s 52 om 1988 No. 99 s 9  
prev s 52 ins 1993 No. 51 s 17  
exp 1 January 1994 (see s 52(2))  
ins 1995 No. 57 s 4 sch 1 (amd 1995 No. 58 s 4 sch 1)  
exp 28 February 1996 (see s 52(3))  
ins 2004 No. 46 s 34  
om R4 (see RA s 37)  
pres s 52 ins 2004 No. 46 s 18  
amd 2006 No. 34 s 19

**Application for registration**

**prov hdg** sub 2004 No. 46 s 19(1)

**s 53** amd 1975 No. 80 s 10; 1976 No. 77 s 6; 1977 No. 59 s 4; 1979 No. 54 s 9;  
1980 No. 54 s 5; 1982 No. 64 s 5; 1984 No. 4 s 9 (retro); 1984 No. 107 s 6;

1985 No. 100 s 8; 1986 No. 50 s 6; 1988 No. 99 s 6; 1990 No. 22 s 8 (retro); 1991 No. 74 s 6; 1992 No. 54 s 6; 1995 No. 28 s 9; 1995 No. 57 s 4 sch 1; 1996 No. 48 s 8; 1997 No. 43 s 17; 2004 No. 46 s 19(2)–(5)

### **Registration of employer without application**

**s 54** ins 2004 No. 46 s 20

### **Notice of registration**

**s 55** ins 2004 No. 46 s 20

### **Amendment of registration**

**s 56** ins 2004 No. 46 s 20

### **Cancellation of registration**

**s 57** ins 2004 No. 46 s 20

### **Division 2—Returns**

**div hdg** ins 2004 No. 46 s 41 sch

#### **Definition for div 2**

**s 58** amd 1975 No. 80 s 11; 1995 No. 57 s 4 sch 1  
sub 2004 No. 46 s 21

#### **Periodic returns**

**s 59** ins 2004 No. 46 s 21  
amd 2009 No. 19 s 67

#### **Duration of periodic return period**

**s 60** ins 2004 No. 46 s 21

#### **Deemed lodgement of periodic return—payment by electronic transfer of funds**

**s 61** ins 2004 No. 46 s 21  
amd 2009 No. 19 ss 68, 73

#### **Exemption from requirement to lodge periodic returns**

**prov hdg** sub 2004 No. 46 s 22(1)  
**s 62** amd 1975 No. 80 s 12; 1976 No. 77 s 7; 1995 No. 57 s 4 sch 1; 2004 No. 46 s 22(2)–(3); 2009 No. 19 s 73

#### **Annual return**

**s 63** ins 2004 No. 46 s 23

#### **Final return**

**s 64** ins 2004 No. 46 s 23

#### **Further returns**

**s 65** amd 1975 No. 80 s 13; 2004 No. 46 s 41 sch

### **PART 4—GROUPING PROVISIONS**

**pt hdg** ins 1975 No. 80 s 14

#### **Division 1—Interpretation**

**div hdg** ins 2004 No. 46 s 41 sch  
sub 2008 No. 16 s 15

**Definitions for pt 4**

**s 66** ins 1975 No. 80 s 14  
sub 2008 No. 16 s 15

**Grouping provisions to operate independently**

**s 67** ins 1975 No. 80 s 14  
amd 1981 No. 111 s 23 sch  
sub 1995 No. 57 s 4 sch 1  
amd 2001 No. 45 s 29 sch 3  
sub 2008 No. 16 s 15

**Division 2—Business groups**

**div hdg** ins 2004 No. 46 s 41 sch  
sub 2008 No. 16 s 15

**Constitution of groups**

**s 68** ins 1975 No. 80 s 14  
amd 1984 No. 4 s 10; 2000 No. 48 s 7; 2001 No. 45 s 29 sch 3  
sub 2008 No. 16 s 15

**Groups of corporations**

**s 69** ins 1975 No. 80 s 14  
amd 1981 No. 111 s 23 sch; 1984 No. 4 s 11; 1995 No. 57 s 4 sch 1; 2000 No.  
48 s 8; 2001 No. 45 s 29 sch 3; 2001 No. 45 s 29 sch 3  
sub 2008 No. 16 s 15  
amd 2009 No. 19 s 73

**Groups arising from the use of common employees**

**s 70** ins 1984 No. 4 s 12  
amd 2000 No. 48 s 9  
sub 2008 No. 16 s 15  
amd 2009 No. 19 s 73

**Groups of commonly controlled businesses**

**s 71** ins 1975 No. 80 s 14  
amd 1984 No. 4 s 13; 2000 No. 48 s 10  
sub 2008 No. 16 s 15  
amd 2009 No. 19 s 73

**Groups arising from tracing of interests in corporations**

**s 72** ins 1975 No. 80 s 14  
sub 2008 No. 16 s 15  
amd 2009 No. 19 s 73

**Smaller groups subsumed into larger groups**

**s 73** ins 1975 No. 80 s 14  
sub 2008 No. 16 s 15  
amd 2009 No. 19 s 73

**Exclusion of persons from groups**

**prov hdg** sub 1985 No. 100 s 9  
**s 74** ins 1975 No. 80 s 14

amd 1981 No. 111 s 23 sch  
 sub 1984 No. 4 s 14  
 amd 1995 No. 57 s 4 sch 1; 2001 No. 45 s 29 sch 3  
 sub 2008 No. 16 s 15

**Division 2A—Business groups—interpretation provisions for tracing of interests in corporations**

**div 2A (ss 74A–74G)** ins 2008 No. 16 s 15

**Division 3—Designated group employer**

**div hdg** ins 2004 No. 46 s 41 sch

**Designation of group member as DGE**

**prov hdg** sub 2004 No. 46 s 25(1)

**s 75** ins 1975 No. 80 s 14

amd 1979 No. 54 s 10; 1984 No. 4 s 15; 1995 No. 57 s 4 sch 1; 1999 No. 49 s 38 sch; 2004 No. 46 ss 25(2)–(4), 41 sch

**PART 5—PROVISIONS ABOUT ASSESSMENTS**

**pt hdg** sub 2004 No. 46 s 27

**Division 1—Reassessments**

**div hdg** ins 2004 No. 46 s 27

**When registered employer may make reassessment**

**s 76** sub 2004 No. 46 s 27

**Reassessments—determination of periodic deduction**

**s 77** amd 1975 No. 80 s 15

sub 2004 No. 46 s 27

**Reassessment—annual liability of non-group employer who has lodged a final return**

**s 78** amd 1976 No. 77 s 9

sub 2004 No. 46 s 27

**Reassessment—change of DGE**

**s 79** sub 2004 No. 46 s 27

**Reassessment—making or revocation of order excluding a person from a group**

**s 80** sub 2004 No. 46 s 27

amd 2008 No. 16 s 16

**Division 2—Provisions about particular assessments made by the commissioner**

**div hdg** ins 2004 No. 27 s 27

**Provision about assessments made by commissioner—employer who is required to lodge periodic returns**

**s 81** sub 2004 No. 46 s 27

amd 2009 No. 19 s 73

**Provision about assessments made by commissioner—employer who is exempt from lodging periodic returns**

**s 82**            amd 2001 No. 72 s 164 sch 1  
                  sub 2004 No. 46 s 27  
                  amd 2009 No. 19 s 69

**PART 6—OBJECTIONS AND APPEALS**

**pt hdg**        prev pt 6 hdg om 2004 No. 46 s 29

**Division 1—Refund provisions**

**div hdg**      ins 2004 No. 46 s 30

**Application of annual refund amount or final refund amount**

**s 83**            amd 1975 No. 80 s 17  
                  sub 2004 No. 46 s 30  
                  amd 2009 No. 19 s 73

**Provision for refunds under Administration Act to group members**

**s 84**            ins 2004 No. 46 s 30  
                  amd 2009 No. 19 s 73

**Entitlement to a refund of payroll tax**

**prov hdg**     amd 2009 No. 19 s 73

**s 85**            ins 2004 No. 46 s 30  
                  amd 2009 No. 19 s 73

**Division 2—Notification requirements**

**div hdg**      ins 2004 No. 46 s 30

**Notification requirement—employers required to work out fixed periodic deduction**

**s 86**            ins 2004 No. 46 s 30  
                  om 2009 No. 19 s 70

**Notification requirement—employers exempt from lodging periodic returns**

**s 87**            ins 2004 No. 46 s 30  
                  amd 2006 No. 34 s 20

**Notification requirement—employers authorised to lodge periodic returns for periods other than a month**

**s 87A**         ins 2009 No. 19 s 71

**Notification requirement—particular group members**

**s 88**            ins 2004 No. 46 s 30

**Notification requirement—liquidators and other administrators**

**s 89**            ins 2004 No. 46 s 30

**Division 3—Other provisions**

**div hdg**      ins 2004 No. 46 s 30

**Commissioner may require payment of penalty**

**s 90**            ins 2004 No. 46 s 30  
                  amd 2009 No. 19 s 73



**Period for keeping particular records relating to fringe benefits tax**

**s 91** ins 2004 No. 46 s 30

**Application of Act to trustees**

**prov hdg** sub 2004 No. 46 s 31(1)

**s 92** amd 1975 No. 80 s 18; 2000 No. 48 s 11; 2004 No. 46 s 31(2)–(3); 2009 No. 19 s 73

**Avoiding taxation**

**s 93** (orig s 37) amd 1995 No. 57 s 4 sch 1  
reloc and renum 2004 No. 46 s 28  
amd 2009 No. 19 s 73

**Notice of change of address for service**

**s 94** sub 2004 No. 46 s 32

**Cents to be disregarded for calculations**

**s 95** amd 1995 No. 57 s 4 sch 1  
sub 2004 No. 46 s 33

**Approval of forms**

**s 96** ins 1995 No. 57 s 4 sch 1

**Regulation-making power**

**prov hdg** sub 1999 No. 13 s 34(1)

**s 97** amd 1975 No. 80 s 20  
sub 1993 No. 51 s 17  
amd 1995 No. 57 s 4 sch 1; 1999 No. 13 s 34(2)–(5); 2004 No. 46 s 41 sch

**Application of particular amendments**

**s 97A** ins 2006 No. 34 s 21  
sub 2008 No. 39 s 35  
amd 2009 No. 19 s 73

**PART 7—SAVINGS AND TRANSITIONAL PROVISIONS FOR PAYROLL TAX  
ADMINISTRATION AMENDMENT ACT 2004**

**pt hdg** prev pt 7 hdg om 2004 No. 46 s 29  
pres pt 7 hdg amd 2008 No. 16 s 17; 2009 No. 19 s 73

**Division 1—Preliminary**

**div hdg** ins 2004 No. 46 s 35

**Definitions for pt 7**

**s 98** ins 2004 No. 46 s 35  
def “**amending Act**” amd 2009 No. 19 s 73  
def “**post-commencement liability**” amd 2009 No. 19 s 73  
def “**pre-commencement liability**” amd 2009 No. 19 s 73

**Division 2—Application of amended Act and Administration Act**

**div hdg** ins 2004 No. 46 s 35

**Application of amended Act in relation to liabilities etc. arising on or after  
commencement**

**s 99** ins 2004 No. 46 s 35

**Registration under s 54 of person required to register before commencement**  
s 100 ins 2004 No. 46 s 35

**Application of amended ss 58–62 for previous return periods**  
s 101 ins 2004 No. 46 s 35

**Assessment under amended s 81 in relation to particular pre-commencement liabilities**  
s 102 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**Application of amended s 95 to calculations made under previous provisions**  
s 103 ins 2004 No. 46 s 35

**This Act as a revenue law for the Administration Act**  
s 104 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73; 2009 No. 24 s 1877

**Application of Administration Act, s 38**  
s 105 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**Second or subsequent offences**  
s 106 ins 2004 No. 46 s 35

**Division 3—Application of previous provisions**  
div hdg ins 2004 No. 46 s 35

**Application of previous provisions to particular liabilities etc.**  
s 107 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**Division 4—Provisions about periodic liability after commencement**  
div hdg ins 2004 No. 46 s 35

**Fixed periodic deduction for periodic return periods after commencement—existing determination**  
s 108 ins 2004 No. 46 s 35

**Fixed periodic deduction for periodic return periods after commencement—existing nomination**  
s 109 ins 2004 No. 46 s 35

**Application of fixed periodic deduction to particular non-group employers after commencement**  
s 110 ins 2004 No. 46 s 35

**Division 5—Provisions for annual liability for transitional year**  
div hdg ins 2004 No. 46 s 35

**Purpose of div 5**  
s 111 ins 2004 No. 46 s 35

**Basic principles for working out employer's annual liability**

s 112 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**Employer who was not a group member for a prescribed period during the transitional year**

s 113 ins 2004 No. 46 s 35

**Employer who is a DGE on 30 June in the transitional year**

s 114 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**Division 6—Provisions for final liability for transitional final period**

div hdg ins 2004 No. 46 s 35

**Purpose of div 6**

s 115 ins 2004 No. 46 s 35

**When transitional final period starts**

s 116 ins 2004 No. 46 s 35

**Employer who is a DGE on the last day of a transitional final period**

s 117 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**Division 7—Miscellaneous provisions**

div hdg ins 2004 No. 46 s 35

**Commissioner assessment—employer who becomes a DGE in a transitional year before commencement**

s 118 ins 2004 No. 46 s 35

**Commissioner assessment—employer who ceases to be a DGE in a transitional year before commencement**

s 119 ins 2004 No. 46 s 35

**Delegations under previous s 4A**

s 120 ins 2004 No. 46 s 35

**Employers registered under previous s 12 immediately before commencement**

s 121 ins 2004 No. 46 s 35

**Notices given by commissioner under previous s 13**

s 122 ins 2004 No. 46 s 35

**Continuing effect of exemptions given by commissioner under previous s 14**

s 123 ins 2004 No. 46 s 35

**Continuing use of particular forms**

s 124 ins 2004 No. 46 s 35

**Application of ss 83 and 84**

s 125 ins 2004 No. 46 s 35

**Application of s 88 notification requirement in relation to a transitional year**  
s 126 ins 2004 No. 46 s 35

**Application of s 89 to particular liquidators**  
s 127 ins 2004 No. 46 s 35

**Application of s 94 to particular employers**  
s 128 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**References in amended Act**  
s 129 ins 2004 No. 46 s 35  
amd 2009 No. 19 s 73

**Transitional regulation-making power**  
s 130 ins 2004 No. 46 s 35  
exp 1 July 2010 (see s 130(4))

**PART 8—TRANSITIONAL PROVISIONS FOR PAYROLL TAX  
(HARMONISATION) AMENDMENT ACT 2008**

pt hdg ins 2008 No. 16 s 18  
amd 2009 No. 19 s 73

**Interpretation of amended provisions**  
s 131 ins 2008 No. 16 s 18  
amd 2009 No. 19 s 73

**Application of amended Act**  
s 132 ins 2008 No. 16 s 18  
amd 2009 No. 19 s 73

**Application of avoidance provision for employment agency contracts**  
s 133 ins 2008 No. 16 s 18

**Continuation of orders excluding person from group**  
s 134 ins 2008 No. 16 s 18  
amd 2009 No. 19 s 73

**SCHEDULE—DICTIONARY**

ins 2004 No. 46 s 36

Note—definitions for this Act were originally located in orig s 3.

def “**agent**”, for the definition “employment agent”, ins 1996 No. 70 s 20(1)

reloc 2004 No. 46 s 5(3)

om 2008 No. 16 s 19(1)

def “**agent**” om from orig s 3 2004 No. 46 s 5(2)

def “**aggregate interest**” ins 2008 No. 16 s 19(2)

def “**annual payroll tax amount**” amd 2009 No. 19 s 73

def “**approved form**” ins 1995 No. 57 s 4 sch 1

reloc 2004 No. 46 s 5(3)

def “**approved information system**” ins 2009 No. 19 s 72

def “**associated persons**” ins 2008 No. 16 s 19(2)

def “**Australia**” reloc 2004 No. 46 s 5(3)

def “**averaging method**” ins 2008 No. 16 s 19(2)

- def **“averaging period”** ins 2008 No. 16 s 19(2)
- def **“business”** ins 2008 No. 16 s 19(2)
- def **“business journey”** ins 2008 No. 16 s 19(2)
- def **“business vehicle”** ins 2008 No. 16 s 19(2)
- def **“client”** ins 1996 No. 70 s 20(1)
- reloc 2004 No. 46 s 5(3)
- om 2008 No. 16 s 19(1)
- def **“commissioner”** om from orig s 3 2004 No. 46 s 5(2)
- ins 2004 No. 46 s 36
- def **“Commonwealth Act”** reloc 2004 No. 46 s 5(3)
- om 2008 No. 75 s 85(1)
- def **“company”** reloc 2004 No. 46 s 5(3)
- def **“continuous recording method”** ins 2008 No. 16 s 19(2)
- def **“contract”** ins 2008 No. 16 s 19(2)
- def **“corporation”** ins 1975 No. 80 s 4(a)(i)
- sub 1995 No. 57 s 4 sch 1
- amd 2001 No. 45 s 29 sch 3
- reloc 2004 No. 46 s 5(3)
- def **“corresponding law”** sub 1999 No. 49 s 23
- reloc 2004 No. 46 s 5(3)
- amd 2008 No. 75 s 85(2)–(3)
- def **“death benefit ETP”** ins 2002 No. 17 s 51(1)
- reloc 2004 No. 46 s 5(3)
- om 2008 No. 16 s 19(1)
- def **“designated group employer”** ins 1975 No. 80 s 4(a)(ii)
- reloc 2004 No. 46 s 5(3)
- def **“direct interest”** ins 2008 No. 16 s 19(2)
- def **“director”** ins 2008 No. 16 s 19(2)
- def **“employer”** amd 1984 No. 4 s 5(a)(i); 1996 No. 70 s 20(2)
- reloc 2004 No. 46 s 5(3)
- amd 2008 No. 16 s 19(3)
- def **“employment agency contract”** ins 2008 No. 16 s 19(2)
- def **“employment agent”** ins 1996 No. 70 s 20(1)
- reloc 2004 No. 46 s 5(3)
- sub 2008 No. 16 s 19(1)–(2)
- def **“ETP”** ins 2002 No. 17 s 51(1)
- reloc 2004 No. 46 s 5(3)
- om 2008 No. 16 s 19(1)
- def **“final payroll tax amount”** amd 2009 No. 19 s 73
- def **“financial year”** sub 1975 No. 80 s 4(a)(iii)
- om from orig s 3 R1 (see RA s 39)
- def **“foreign wages”** ins 1975 No. 80 s 4(a)(iv)
- reloc 2004 No. 46 s 5(3)
- def **“fringe benefit”** ins 1993 No. 51 s 15(1)
- reloc 2004 No. 46 s 5(3)
- def **“Fringe Benefits Assessment Act”** ins 1993 No. 51 s 15(1)
- reloc 2004 No. 46 s 5(3)
- def **“granted”** ins 2008 No. 16 s 19(2)

Endnotes

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- def “**grantee**” ins 2008 No. 16 s 19(2)
- def “**grantor**” ins 2008 No. 16 s 19(2)
- def “**group**” ins 1975 No. 80 s 4(a)(iv)
  - reloc 2004 No. 46 s 5(3)
- def “**indirect interest**” ins 2008 No. 16 s 19(2)
- def “**interstate wages**” ins 1975 No. 80 s 4(a)(iv)
  - reloc 2004 No. 46 s 5(3)
- def “**liquidator**” reloc 2004 No. 46 s 5(3)
- def “**Local Authority**” amd 1985 No. 100 s 4(a) (retro)
  - om from orig s 3 1992 No. 36 s 2 sch 1
- def “**Minister**” ins 1990 No. 22 s 4
  - om from orig s 3 1992 No. 36 s 2 sch 1
- def “**month**” om from orig s 3 R1 (see RA s 39)
- def “**number of exempt kilometres**” ins 2008 No. 16 s 19(2)
- def “**option**” ins 2008 No. 16 s 19(2)
- def “**paid or payable**” ins 1993 No. 51 s 15(1)
  - reloc 2004 No. 46 s 5(3)
- def “**pay**” ins 1993 No. 51 s 15(1)
  - reloc 2004 No. 46 s 5(3)
- def “**payroll tax**” reloc 2004 No. 46 s 5(3)
  - amd 2009 No. 19 s 73
- def “**person**” om from orig s 3 1992 No. 36 s 2 sch 1
- def “**prescribed payroll tax liability**” amd 2009 No. 19 s 73; 2009 No. 24 s 1878
- def “**private company**” ins 2008 No. 16 s 19(2)
- def “**related body corporate**” ins 2008 No. 16 s 19(2)
- def “**related persons**” ins 2008 No. 16 s 19(2)
- def “**relevant contract**” ins 2008 No. 16 s 19(2)
- def “**relevant contract employee**” ins 2008 No. 16 s 19(2)
- def “**relevant contract employer**” ins 2008 No. 16 s 19(2)
- def “**relevant day**” ins 2008 No. 16 s 19(2)
- def “**relevant entity**” ins 2008 No. 16 s 19(2)
- def “**relevant percentage**” ins 2008 No. 16 s 19(2)
- def “**re-supply**” ins 2008 No. 16 s 19(2)
- def “**return period**” ins 1975 No. 80 s 4(a)(v)
  - om from orig s 3 2004 No. 46 s 5(2)
  - ins 2008 No. 16 s 19(2)
- def “**service provider**” ins 2008 No. 16 s 19(2)
- def “**services**” ins 2008 No. 16 s 19(2)
- def “**share**” ins 2008 No. 16 s 19(2)
- def “**superannuation contribution**” ins 1999 No. 78 s 7(1)
  - reloc 2004 No. 46 s 5(3)
- def “**supply**” ins 2008 No. 16 s 19(2)
- def “**tax**” om from orig s 3 2004 No. 46 s 5(2)
  - ins 2004 No. 46 s 36
- def “**taxable ETP**” ins 2002 No. 17 s 51(1)
  - reloc 2004 No. 46 s 5(3)
  - om 2008 No. 16 s 19(1)

- def “**taxable wages**” reloc 2004 No. 46 s 5(3)  
 amd 2009 No. 19 s 73
- def “**termination payment**” ins 2008 No. 16 s 19(2)
- def “**trustee**” reloc 2004 No. 46 s 5(3)
- def “**vesting day**” ins 2008 No. 16 s 19(2)
- def “**voting share**” ins 1975 No. 80 s 4(a)(vi)  
 sub 1995 No. 57 s 4 sch 1  
 amd 2001 No. 45 s 29 sch 3  
 reloc 2004 No. 46 s 5(3)
- def “**wages**” amd 1975 No. 80 s 4(a)(vii); 1984 No. 4 s 5(a)(ii); 1993 No. 51 s 15(2)–(3); 1996 No. 70 s 20(3); 1999 No. 78 s 7(2); 2002 No. 17 s 51(2)  
 reloc 2004 No. 46 s 5(3)  
 amd 2008 No. 16 s 19(4)–(10)

## 8 List of forms notified or published in the gazette

(The following information about forms is taken from the gazette and is included for information purposes only. Because failure by a department to notify or publish a form in the gazette does not invalidate the form, you should check with the relevant government department for the latest information about forms (see Statutory Instruments Act, section 58(8)).)

### **Form OSR-P1 Version 1—Periodic Return**

pubd gaz 11 November 2005 p 944

### **Form OSR-P2 Version 1—Application for Pay-roll Tax Registration**

pubd gaz 11 November 2005 p 944

### **Form OSR-P5 Version 1—Final Return**

pubd gaz 11 November 2005 p 944

### **Form OSR-P6 Version 1—Final Return/Notification of Fixed Periodic Deduction**

pubd gaz 11 November 2005 p 944

### **Form OSR-P7 Version 1—Notification of Fixed Periodic Deduction**

pubd gaz 11 November 2005 p 944

### **Form OSR-P8 Version 1—Notification of Designated Group Employer**

pubd gaz 11 November 2005 p 944

### **Form PR7 Version 1—2004–2005 Annual Return**

pubd gaz 11 November 2005 p 944

### **Form PR8 Version 1—2004–2005 Annual Return/Notification of Fixed Periodic Deduction**

pubd gaz 11 November 2005 p 944

## 9 Table of renumbered provisions

under the Reprints Act 1992 s 43 as required by the Payroll Tax Act 1971 s 52  
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## 10 Information about retrospectivity

Retrospective amendments that have been consolidated are noted in the list of legislation and list of annotations. Any retrospective amendment that has not been consolidated is noted in an editor's note in the text.

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