

NORTHERN TERRITORY OF AUSTRALIA
PAY-ROLL TAX AMENDMENT ACT 2002

Act No. 43 of 2002

TABLE OF PROVISIONS

Section

PART 1 – PRELIMINARY

1. Short title
2. Commencement

PART 2 – AMENDMENTS OF *PAY-ROLL TAX ACT*

3. Principal Act
4. Interpretation
5. Fringe benefits
6. Pay-roll tax

PART 3 – AMENDMENTS OF PAY-ROLL TAX REGULATIONS

7. Principal Regulations
8. Value of fringe benefits to be included in returns
9. Estimated value of fringe benefits
10. Amendment by regulation authorised



NORTHERN TERRITORY OF AUSTRALIA

Act No. 43 of 2002

AN ACT

to amend the *Pay-roll Tax Act* and the Pay-roll Tax Regulations

[Assented to 13 September 2002]

[Second reading 20 June 2002]

The Legislative Assembly of the Northern Territory enacts as follows:

PART 1 – PRELIMINARY

1. Short title

This Act may be cited as the *Pay-roll Tax Amendment Act 2002*.

2. Commencement

This Act is taken to have come into operation on 1 July 2002.

PART 2 – AMENDMENTS OF *PAY-ROLL TAX ACT*

3. Principal Act

The *Pay-roll Tax Act* is in this Part referred to as the Principal Act.

4. Interpretation

Section 3 of the Principal Act is amended by inserting after paragraph (ca) of the definition of "wages" in subsection (1) the following:

"(cb) a payment made in consequence of the retirement from, or termination of, any office or employment of a person occurring on or after 1 July 2002, being so much of any

Pay-roll Tax Amendment Act 2002

eligible termination payment, within the meaning of section 27A of the *Income Tax Assessment Act 1936* of the Commonwealth, paid or payable by an employer (whether or not paid or payable to the person or to any other person or body) that would be included in the assessable income of a person under Part III, Division 2, Subdivision AA of that Act if the whole of the eligible termination payment had been paid to the person;"

5. Fringe benefits

Section 3B of the Principal Act is amended by omitting subsection (3)(a) and substituting the following:

"(a) the value calculated in accordance with the following formula:

$$TV \times \frac{1}{1 - FBT \text{ rate}}$$

where –

TV is the value that would be the taxable value of the benefit as a fringe benefit for the purposes of the FBTA Act; and

FBT rate

is the rate of fringe benefits tax imposed by the FBTA Act that applies when the liability to tax under this Act is incurred; or"

6. Pay-roll tax

Section 6 of the Principal Act is amended –

(a) by omitting from subsection (1) "6.5%" and substituting "6.3%"; and

(b) by inserting after subsection (3) the following:

"(3A) Wages referred to in paragraph (cb) of the definition of 'wages' in section 3(1) that are not paid or payable in respect of services performed or rendered by a person are liable to tax as if they were paid or payable in respect of services performed or rendered by the person in the month in which they are paid or become payable."

PART 3 – AMENDMENTS OF PAY-ROLL TAX REGULATIONS

7. Principal Regulations

The Pay-roll Tax Regulations are in this Part referred to as the Principal Regulations.

8. Value of fringe benefits to be included in returns

Regulation 27J of the Principal Regulations is amended by omitting from subregulation (1)(a) "the actual value of the fringe benefits paid or payable" and substituting "the value of the fringe benefits taken to be wages paid or payable".

9. Estimated value of fringe benefits

Regulation 27K of the Principal Regulations is amended –

- (a) by omitting from subregulation (1) "the value of fringe benefits paid or payable" and substituting "the value of fringe benefits taken to be wages paid or payable";
- (b) by omitting from subregulation (3) all the words after "wages" (last reference) and substituting the following:

"had –

- (a) the *Pay-roll Tax Amendment Act 1999* and this Division commenced on 1 April 1998; and
- (b) the *Pay-roll Tax Amendment Act 2002* commenced on 1 April 2001.";
- (c) by omitting from subregulation (8) "the actual value of the fringe benefits, paid or payable by the employer," and substituting "the value of the fringe benefits taken to be wages paid or payable by the employer"; and
- (d) by omitting from subregulations (9) and (10) "the actual value of the fringe benefits paid or payable" and substituting "the value of the fringe benefits taken to be wages paid or payable".

10. Amendment by regulation authorised

A regulation amended by this Part may be amended or repealed by a regulation as if the amendment had been made by a regulation.