

Serial 315
Pay-roll Tax Amendment Bill 2001
Mr Reed

**A BILL
for
AN ACT**

to amend the *Pay-roll Tax Act*

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NORTHERN TERRITORY OF AUSTRALIA

PAY-ROLL TAX AMENDMENT ACT 2001

No. of 2001

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NORTHERN TERRITORY OF AUSTRALIA

No. of 2001

AN ACT

to amend the *Pay-roll Tax Act*

[Assented to 2001]

[Second reading 2001]

The Legislative Assembly of the Northern Territory enacts as follows:

1. Short title

This Act may be cited as the *Pay-roll Tax Amendment Act 2001*.

2. Commencement

This Act comes into operation on 1 July 2001.

3. Principal Act

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

4. Interpretation

Section 3 of the Principal Act is amended –

- (a) by inserting after the definition of "prescribed benefit" in subsection (1) the following:

" 'return' means a return under section 13;" and

- (b) by omitting from the definition of "return period" in subsection (1) "required" and substituting "required, or would have been required but for section 13A,".

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5. Pay-roll tax

Section 6 of the Principal Act is amended –

- (a) by omitting from subsection (1) "1 July 1985" and substituting " 1 July 2001"; and
- (b) by omitting from subsection (1) "6.6%" and substituting "6.5%".

6. Adjustment if employer ceases to pay taxable wages or joins group

Section 11 of the Principal Act is amended –

- (a) by omitting from subsection (1) the definition of "prescribed amount" and substituting the following:

" 'prescribed amount', in relation to an employer, means the amount calculated in accordance with the following formula:

$$\frac{TW}{TW + IW} \left[\frac{600,000C}{D} \right]$$

where –

TW is the total of the taxable wages paid or payable by the employer during the prescribed period;

IW is the total of the interstate wages paid or payable by the employer during the prescribed period;

C is the number of days in the financial year in respect of which wages were paid or payable by the employer up to and including the last day on which the employer paid or was liable to pay taxable wages; and

D is the number of days in the financial year;"

- (b) by omitting from the definition of "prescribed period" in subsection (1) "year" (last occurring) and substituting "year up to and including the last day on which the employer paid or was liable to pay taxable wages";
- (c) by omitting from subsection (2) "wages" and substituting "taxable wages";
- (d) by omitting from subsection (3) "wages" (first occurring) and substituting "taxable wages"; and
- (e) by omitting from subsection (3) "or interstate wages".

7. Registration

Section 12 of the Principal Act is amended by adding at the end the following:

"(3) In this section –
'wages' includes interstate wages and foreign wages."

8. New section

The Principal Act is amended by inserting after section 13 the following:

"13A. Paying tax without lodging return

"(1) The Commissioner may approve a procedure (including a procedure utilising electronic technology) by which an employer liable to pay tax in respect of taxable wages paid or payable by the employer during a month may pay the tax without lodging a return in respect of those wages.

"(2) An employer who uses a procedure approved under subsection (1) to pay tax must pay the tax within the time specified in the procedure or, if the procedure does not specify a time, within 21 days after the close of the month in which the employer paid or was liable to pay the taxable wages.

"(3) If an employer who uses a procedure approved under subsection (1) to pay tax makes the payment within the time required under subsection (2), for the purposes of this Act and the Regulations, the employer is to be taken to have paid the tax within the time required under section 18.

"(4) Subject to subsection (5), an employer who uses a procedure approved under subsection (1) to pay tax is, for the purposes of this Act and the Regulations, to be taken to have furnished to the Commissioner a return in respect of the wages to which the payment relates at the same time as the payment is made.

"(5) An employer who uses a procedure approved under subsection (1) to pay tax must furnish to the Commissioner a return relating to the financial year in respect of which the tax is payable –

- (a) within 21 days after the closing of that financial year; or
- (b) if the employer ceases to pay taxable wages during that financial year – within 21 days after the close of the month in which the payment of taxable wages ceased."

9. Grouping of commonly controlled businesses

Section 17D of the Principal Act is amended by omitting from subsection (3)(b), (c)(i) and (ii) and (d) and (6) "50% or more" and substituting "more than 50%".

10. Beneficiaries under discretionary trusts

Section 17G of the Principal Act is amended by omitting "50 per cent or more" and substituting "more than 50%".

11. Exclusion of persons from groups

Section 17H of the Principal Act is amended –

(a) by inserting before subsection (1) the following:

"(1) This section applies only in relation to a group constituted under section 17C or by virtue of sections 17D(3)(d) and 17G.";

(b) by omitting from subsection (1) "(1)" and substituting "(2)";

(c) by omitting subsection (2); and

(d) by omitting from subsection (3) "subsection (1)" and substituting "subsection (2)".

12. Annual adjustments

Section 17K of the Principal Act is amended by omitting subsection (1) and substituting the following:

"(1) This section applies in relation to a group in which –

(a) at least one member of the group paid or was liable to pay, as such a member, taxable wages or interstate wages during the whole of a financial year; and

(b) at least one member of the group (whether the same or a different member) paid or was liable to pay taxable wages on 30 June of the same financial year."

13. Adjustment if group member ceases to pay taxable wages

Section 17L of the Principal Act is amended –

(a) by omitting subsection (1) and substituting the following:

"(1) This section applies in relation to a group in which –

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- (a) at least one member of the group paid or was liable to pay, as such a member, taxable wages or interstate wages during a part of a financial year; and
 - (b) no member of the group paid or was liable to pay taxable wages on 30 June of the same financial year.";
- (b) by omitting from subsection (2) the definition of "prescribed amount" and substituting the following:

"'prescribed amount', in relation to a designated group employer, means the amount calculated in accordance with the following formula:

$$\frac{TW}{TW + IW} \left[\frac{600,000C}{D} \right]$$

where –

TW is the total of the taxable wages paid or payable by the members of the group, in respect of which that designated group employer is the designated group employer, during the prescribed period;

IW is the total of the interstate wages paid or payable by the members of that group during the prescribed period;

C is the number of days in that part of the financial year for which that designated group employer was the designated group employer in respect of that group, reduced by the number of days, if any, during that part in respect of which no taxable wages were paid or payable by any member of that group; and

D is the number of days in the financial year;"

- (c) by omitting from the definition of "prescribed period" in subsection (2) "interstate wages" and substituting "interstate wages up to and including the last day on which taxable wages were paid or payable by any member of the group"; and
- (d) by omitting from subsection (5)(c) "or interstate wages".

14. Time for payment of tax

Section 18 of the Principal Act is amended –

- (a) by omitting from subsection (1) "An" and substituting "Subject to section 13A, an"; and

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- (b) by omitting subsection (2) and substituting the following:

"(2) Subject to section 13A, an employer liable to pay tax referred to in section 11 or 17L in respect of taxable wages paid or payable during a financial year must pay the tax within the time within which the employer is required to furnish a return in respect of the last month of that year in which the employer paid or was liable to pay taxable wages."

15. Time to pay: extensions and instalments

Section 22 of the Principal Act is amended by omitting from paragraphs (a) and (b) "or further tax" and substituting ", further tax or additional tax".

16. Additional tax

Section 23 of the Principal Act is amended –

- (a) by omitting subsection (1) and substituting the following:

"(1) If tax, further tax or additional tax is not paid before the expiration of the time for payment, additional tax is payable at the rate of 18% per annum on the amount of tax, further tax or additional tax, to be computed from the expiration of the time for payment."; and

- (b) by adding at the end the following:

"(3) In subsection (1) –

'time for payment' means –

- (a) the time specified under section 13A, 18 or 19 for the payment of tax, further tax or additional tax;
- (b) the further time specified for the payment of tax, further tax or additional tax allowed by the Commissioner under section 22(a); or
- (c) if the Commissioner permits the tax, further tax or additional tax to be paid by instalments under section 22(b) – the time for payment of the tax, further tax or additional tax had permission to pay by instalments not been given."

17. Offences

Section 37 of the Principal Act is amended by adding at the end the following:

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"(5) For the purposes of this section and section 38, an employer who fails to comply with section 13A(2) is to be taken to have failed to have furnished a return as and when required by or under this Act or the Regulations."

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