



Western Australia

Pay-roll Tax Amendment (Debt and Deficit Remediation) Act 2017

As at 13 Dec 2017

No. 19 of 2017

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Pay-roll Tax Amendment (Debt and Deficit Remediation) Act 2017

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Western Australia

Pay-roll Tax Amendment (Debt and Deficit Remediation) Act 2017

No. 19 of 2017

An Act to amend the *Pay-roll Tax Act 2002*.

[Assented to 13 December 2017]

The Parliament of Western Australia enacts as follows:

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1. Short title

This is the *Pay-roll Tax Amendment (Debt and Deficit Remediation) Act 2017*.

2. Commencement

This Act comes into operation as follows —

- (a) sections 1 and 2 — on the day on which this Act receives the Royal Assent;
- (b) the rest of the Act — on the day after that day.

3. Act amended

This Act amends the *Pay-roll Tax Act 2002*.

4. Part 1 heading inserted

Before section 1 insert:

Part 1 — Preliminary

5. Part 2 heading inserted

After section 4 insert:

Part 2 — Imposition of pay-roll tax

6. Section 5 amended

- (1) In section 5(2) delete “on or after 1 January 2005” and insert:

during the period that begins on 1 January 2005 and ends on 30 June 2018

- (2) After section 5(2) insert:
- (3) Pay-roll tax on wages paid or payable during the period that begins on 1 July 2018 and ends on 30 June 2023 (the *sliding scale period*) is imposed at the rates determined under —
- (a) for local non-group employers — Part 3 Division 1; or
 - (b) for interstate non-group employers — Part 3 Division 2; or
 - (c) for employers who are members of groups — Part 3 Division 3.
- (4) Pay-roll tax on wages paid or payable on or after 1 July 2023 is imposed at the rate of 5.5%.

7. Part 3 inserted

After section 5 insert:

**Part 3 — Rates of pay-roll tax for period from
1 July 2018 to 30 June 2023**

Division 1 — Rates for local non-group employers

6. Rates for whole or part of assessment year

- (1) If an employer is a local non-group employer for the whole of an assessment year, or only part of an assessment year (the *part-year*), in the sliding scale period, the rate of pay-roll tax payable by the employer for the year or part-year is the rate set out in, or determined under, the Table according to the amount of

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WA taxable wages paid or payable by the employer during the year or part-year.

Table

	Amount of WA taxable wages	Rate (%)
1.	Not more than \$100 000 000 × Y	5.5
2.	More than \$100 000 000 × Y but not more than \$1 500 000 000 × Y	Rate calculated under subsection (2)
3.	More than \$1 500 000 000 × Y	Rate calculated under subsection (3)

- (2) For the purposes of item 2 in the Table to subsection (1), the rate is to be calculated as follows —

$$\frac{(5\,500\,000 \times Y) + 0.06 (W - (100\,000\,000 \times Y))}{W} \times 100$$

- (3) For the purposes of item 3 in the Table to subsection (1), the rate is to be calculated as follows —

$$\frac{(89\,500\,000 \times Y) + 0.065 (W - (1\,500\,000\,000 \times Y))}{W} \times 100$$

- (4) In this section —

W is the total amount of WA taxable wages paid or payable by the employer during the assessment year or part-year;

Y is the number of days in the assessment year during which WA taxable wages were paid or

payable by the employer, divided by the number of days in the assessment year.

- (5) The rates calculated under subsections (2) and (3) are to be calculated to 4 decimal places.

7. Rates for progressive return period or part of period

- (1) The rate of pay-roll tax payable by a local non-group employer for a progressive return period or for part of a progressive return period (the *period or part-period*) in the sliding scale period is the rate set out in, or determined under, the Table according to the amount of WA taxable wages paid or payable by the employer during the period or part-period.

Table

	Amount of WA taxable wages	Rate (%)
1.	Not more than \$100 000 000 × M × P	5.5
2.	More than \$100 000 000 × M × P but not more than \$1 500 000 000 × M × P	Rate calculated under subsection (2)
3.	More than \$1 500 000 000 × M × P	Rate calculated under subsection (3)

- (2) For the purposes of item 2 in the Table to subsection (1), the rate is to be calculated as follows —

$$\frac{(5\,500\,000 \times M \times P) + 0.06 (W - (100\,000\,000 \times M \times P))}{W} \times 100$$

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- (3) For the purposes of item 3 in the Table to subsection (1), the rate is to be calculated as follows —

$$\frac{(89\,500\,000 \times M \times P) + 0.065 (W - (1\,500\,000\,000 \times M \times P))}{W} \times 100$$

- (4) In this section —

M is the number of months in the progressive return period, divided by 12;

P is the number of days in the progressive return period during which WA taxable wages were paid or payable by the employer, divided by the total number of days in the progressive return period;

W is the total amount of WA taxable wages paid or payable by the employer during the period or part-period.

- (5) The rates calculated under subsections (2) and (3) are to be calculated to 4 decimal places.

Division 2 — Rates for interstate non-group employers

8. Rates for whole or part of assessment year

- (1) If an employer is an interstate non-group employer for the whole of an assessment year, or only part of an assessment year (the *part-year*), in the sliding scale period, the rate of pay-roll tax payable by the employer for the year or part-year is the rate set out in, or determined under, the Table according to the amount of Australian taxable wages paid or payable by the employer during the year or part-year.

Table

	Amount of Australian taxable wages	Rate (%)
1.	Not more than \$100 000 000 × Y	5.5
2.	More than \$100 000 000 × Y but not more than \$1 500 000 000 × Y	Rate calculated under subsection (2)
3.	More than \$1 500 000 000 × Y	Rate calculated under subsection (3)

- (2) For the purposes of item 2 in the Table to subsection (1), the rate is to be calculated as follows —

$$\frac{(5\,500\,000 \times Y) + 0.06 (W - (100\,000\,000 \times Y))}{W} \times 100$$

- (3) For the purposes of item 3 in the Table to subsection (1), the rate is to be calculated as follows —

$$\frac{(89\,500\,000 \times Y) + 0.065 (W - (1\,500\,000\,000 \times Y))}{W} \times 100$$

- (4) In this section —

W is the total amount of Australian taxable wages paid or payable by the employer during the assessment year or part-year;

Y is the number of days in the assessment year during which Australian taxable wages were paid or payable by the employer, divided by the total number of days in the assessment year.

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- (5) The rates calculated under subsections (2) and (3) are to be calculated to 4 decimal places.
- (6) Despite subsections (1) to (5), if the employer fails to comply with a requirement under the *Pay-roll Tax Assessment Act 2002* section 27(1) to lodge an additional return for the assessment year within the period referred to in section 27(2)(c) of that Act, the rate of pay-roll tax payable by the employer for the year or part-year is 6.5%.
- (7) Subsection (6) does not apply if the Commissioner has made a determination under the *Pay-roll Tax Assessment Act 2002* section 23C in relation to the employer and the year or part-year.

9. Rates for progressive return period

The rate of pay-roll tax payable by an interstate non-group employer for a progressive return period in an assessment year in the sliding scale period is —

- (a) if a nomination under the *Pay-roll Tax Assessment Act 2002* section 23A(1)(a) applies in relation to the employer and the progressive return period — the rate that would be determined under section 8(1) to (5) of this Act if —
 - (i) the nominated amount of Australian taxable wages were the actual amount of Australian taxable wages paid or payable by the employer during the year; and
 - (ii) the nominated number of days were the actual number of days in the year during which Australian taxable wages were paid or payable by the employer;

or

- (b) otherwise — 6.5%.

Division 3 — Rates for group employers

10. Rates for whole or part of assessment year

- (1) This section applies to a group —
 - (a) if at all times during an assessment year in the sliding scale period there is at least 1 member of the group who pays or is liable to pay Australian taxable wages as a group member (whether or not any member of the group pays or is liable to pay Australian taxable wages as a group member throughout the whole assessment year); or
 - (b) if —
 - (i) during part only of an assessment year (the *part-year*) in the sliding scale period there is at least 1 member of the group who pays or is liable to pay Australian taxable wages as a group member (whether or not that member or any other member of the group pays or is liable to pay Australian taxable wages as a group member throughout the part-year); and
 - (ii) during the remainder of the assessment year there is no member of the group who pays or is liable to pay Australian taxable wages as a group member.
- (2) The rate of pay-roll tax payable by the group for the year or part-year is the rate set out in, or determined under, the Table according to the amount of Australian taxable wages paid or payable by all members of the group during the year or part-year.

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Table

	Amount of Australian taxable wages	Rate (%)
1.	Not more than \$100 000 000 × Y	5.5
2.	More than \$100 000 000 × Y but not more than \$1 500 000 000 × Y	Rate calculated under subsection (3)
3.	More than \$1 500 000 000 × Y	Rate calculated under subsection (4)

- (3) For the purposes of item 2 in the Table to subsection (2), the rate is to be calculated as follows —

$$\frac{(5\,500\,000 \times Y) + 0.06 (W - (100\,000\,000 \times Y))}{W} \times 100$$

- (4) For the purposes of item 3 in the Table to subsection (2), the rate is to be calculated as follows —

$$\frac{(89\,500\,000 \times Y) + 0.065 (W - (1\,500\,000\,000 \times Y))}{W} \times 100$$

- (5) In this section —

W is the total amount of Australian taxable wages paid or payable by all members of the group during the assessment year or part-year;

Y is the number of days in the assessment year during which Australian taxable wages were paid or payable by at least 1 member of the group, divided by the total number of days in the assessment year.

- (6) The rates calculated under subsections (3) and (4) are to be calculated to 4 decimal places.
- (7) Despite subsections (1) to (6), if the DGE of the group fails to comply with a requirement under the *Pay-roll Tax Assessment Act 2002* section 27(1a) to lodge an additional return for the assessment year within the period referred to in section 27(2)(c) of that Act, the rate of pay-roll tax payable by the group for the year or part-year is 6.5%.
- (8) Subsection (7) does not apply if the Commissioner has made a determination under the *Pay-roll Tax Assessment Act 2002* section 23C in relation to the group and the year or part-year.

11. Rates for progressive return period

The rate of pay-roll tax payable by a member of a group for a progressive return period in an assessment year in the sliding scale period is —

- (a) if a nomination under the *Pay-roll Tax Assessment Act 2002* section 23A(1)(b) applies in relation to the group and the progressive return period — the rate that would be determined under section 10(1) to (6) of this Act if —
 - (i) the nominated amount of Australian taxable wages were the actual amount of Australian taxable wages paid or payable by all members of the group during the year; and

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- (ii) the nominated number of days were the actual number of days in the year during which Australian taxable wages were paid or payable by at least 1 member of the group;
- or
- (b) otherwise — 6.5%.

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