Pay-roll Tax Act 2002
Western Australia

Pay-roll Tax Act 2002

Contents

Part 1 — Preliminary
1. Short title 2
2. Commencement 2
3. Relationship with other Acts 2
4. Meaning of terms 2

Part 2 — Imposition of pay-roll tax
5. Imposition of pay-roll tax 3

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 4
7. Rates for progressive return period or part of period 5

Division 2 — Rates for interstate non-group employers
8. Rates for whole or part of assessment year 7
9. Rates for progressive return period 9

Division 3 — Rates for group employers
10. Rates for whole or part of assessment year 9
11. Rates for progressive return period 12

Notes
Compilation table 13
Defined terms
Western Australia

Pay-roll Tax Act 2002

An Act to impose pay-roll tax.
Part 1 — Preliminary

[Heading inserted: No. 19 of 2017 s. 4.]

1. **Short title**
   This Act may be cited as the *Pay-roll Tax Act 2002*.

2. **Commencement**
   This Act comes into operation on the day on which the *Taxation Administration Act 2003* comes into operation.

3. **Relationship with other Acts**
   The *Pay-roll Tax Assessment Act 2002* and the *Taxation Administration Act 2003* are to be read with this Act as if they formed a single Act.

4. **Meaning of terms**
   The Glossaries at the ends of the *Pay-roll Tax Assessment Act 2002* and the *Taxation Administration Act 2003* define or affect the meaning of some of the words and expressions used in this Act and also affect the operation of other provisions.
Part 2 — Imposition of pay-roll tax

[Heading inserted: No. 19 of 2017 s. 5.]

5. Imposition of pay-roll tax

(1) Pay-roll tax on wages paid or payable before 1 January 2005 is imposed at the rate of 6%.

(2) Pay-roll tax on wages paid or payable during the period that begins on 1 January 2005 and ends on 30 June 2018 is imposed at the rate of 5.5%.

(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%.

[Section 5 inserted: No. 41 of 2003 s. 7; amended: No. 83 of 2004 s. 6; No. 19 of 2017 s. 6.]
Part 3 — Rates of pay-roll tax for period from 1 July 2018 to 30 June 2023

[Heading inserted: No. 19 of 2017 s. 7.]

Division 1 — Rates for local non-group employers

[Heading inserted: No. 19 of 2017 s. 7.]

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

<table>
<thead>
<tr>
<th>Amount of WA taxable wages</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Not more than $100 000 000 × Y</td>
<td>5.5</td>
</tr>
<tr>
<td>2. More than $100 000 000 × Y but not more than $1 500 000 000 × Y</td>
<td>Rate calculated under subsection (2)</td>
</tr>
<tr>
<td>3. More than $1 500 000 000 × Y</td>
<td>Rate calculated under subsection (3)</td>
</tr>
</tbody>
</table>
Pay-roll Tax Act 2002

Part 3

Rates for local non-group employers

Division 1

s. 7

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

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

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

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

(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.

[Section 6 inserted: No. 19 of 2017 s. 7.]

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

<table>
<thead>
<tr>
<th>Amount of WA taxable wages</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Not more than $100,000,000 \times M \times P</td>
<td>5.5</td>
</tr>
<tr>
<td>2. More than $100,000,000 \times M \times P but not more than $1,500,000,000 \times M \times P</td>
<td>Rate calculated under subsection (2)</td>
</tr>
<tr>
<td>3. More than $1,500,000,000 \times M \times P</td>
<td>Rate calculated under subsection (3)</td>
</tr>
</tbody>
</table>

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

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

(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.

[Section 7 inserted: No. 19 of 2017 s. 7.]

Division 2 — Rates for interstate non-group employers

[Heading inserted: No. 19 of 2017 s. 7.]

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>
<thead>
<tr>
<th>Amount of Australian taxable wages</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Not more than $100 000 000 × Y</td>
<td>5.5</td>
</tr>
<tr>
<td>2. More than $100 000 000 × Y but not more than $1 500 000 000 × Y</td>
<td>Rate calculated under subsection (2)</td>
</tr>
<tr>
<td>3. More than $1 500 000 000 × Y</td>
<td>Rate calculated under subsection (3)</td>
</tr>
</tbody>
</table>
(2) For the purposes of item 2 in the Table to subsection (1), the rate is to be calculated as follows —

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

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

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

(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.

(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.

[Section 8 inserted: No. 19 of 2017 s. 7.]
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%.

[Section 9 inserted: No. 19 of 2017 s. 7.]

Division 3 — Rates for group employers

[Heading inserted: No. 19 of 2017 s. 7.]

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.

<table>
<thead>
<tr>
<th>Amount of Australian taxable wages</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Not more than $100 000 000 × Y</td>
<td>5.5</td>
</tr>
<tr>
<td>2. More than $100 000 000 × Y but not more than $1 500 000 000 × Y</td>
<td>Rate calculated under subsection (3)</td>
</tr>
<tr>
<td>3. More than $1 500 000 000 × Y</td>
<td>Rate calculated under subsection (4)</td>
</tr>
</tbody>
</table>
(3) For the purposes of item 2 in the Table to subsection (2), the rate is to be calculated as follows —

\[
\frac{(5 \, 500 \, 000 \times Y) + 0.06 \left( W - (100 \, 000 \, 000 \times Y) \right) \times 100}{W}
\]

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

\[
\frac{(89 \, 500 \, 000 \times Y) + 0.065 \left( W - (150 \, 000 \, 000 \times Y) \right) \times 100}{W}
\]

(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.

[Section 10 inserted: No. 19 of 2017 s. 7.]
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

(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%.

[Section 11 inserted: No. 19 of 2017 s. 7.]
Notes

1 This is a compilation of the Pay-roll Tax Act 2002 and includes the amendments made by the other written laws referred to in the following table 2,3.

### Compilation table

<table>
<thead>
<tr>
<th>Short title</th>
<th>Number and Year</th>
<th>Assent</th>
<th>Commencement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Tax Review (Taxing) Act 2003 Pt. 3</td>
<td>41 of 2003</td>
<td>30 Jun 2003</td>
<td>1 Jul 2003 (see s. 2)</td>
</tr>
<tr>
<td>Revenue Laws Amendment (Tax Relief) Act (No. 2) 2004 Pt. 3</td>
<td>83 of 2004</td>
<td>8 Dec 2004</td>
<td>8 Dec 2004 (see s. 2)</td>
</tr>
<tr>
<td>Pay-roll Tax Amendment (Debt and Deficit Remediation) Act 2017</td>
<td>19 of 2017</td>
<td>13 Dec 2017</td>
<td>s. 1 and 2: 13 Dec 2017 (see s. 2(a)); Act other than s. 1 and 2: 14 Dec 2017 (see s. 2(b))</td>
</tr>
</tbody>
</table>

2 Under the Commonwealth Places (Mirror Taxes Administration) Act 1999 s. 7 this Act is to be read and construed with any modifications referred to in subsection (1) of that section and, in particular, with the modifications set out in the Commonwealth Places (Mirror Taxes Administration) Regulations 2007. r. 1-4 and Pt. 5 Div. 1 of those regulations read as follows:

```
1. Citation
These regulations are the Commonwealth Places (Mirror Taxes Administration) Regulations 2007.

2. Commencement
These regulations come into operation on the day on which the Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA)) Notice 2007 comes into operation.

3. When certain modifications have effect
(1) The modifications prescribed in Part 2, Part 3, Part 5, Part 6 Division 2 and Part 7 have effect on and from 1 July 2003.
(2) The modifications prescribed in Part 4 have effect on and from 9 April 2006 and prevail over the modifications in the Commonwealth Places (Mirror Taxes Administration) Regulations 2002 Part 5 to the extent of any inconsistency.
```
4. **Modification of State taxing laws**

(1) For the purposes of section 7(2) of the Act, each State taxing law is taken to be modified to the extent necessary to give effect to subregulation (2).

(2) If —

(a) a State taxing law applies, or could apply, to any extent, to or in relation to an event, state of affairs or transaction, and the corresponding applied law also applies, or could apply, to any extent, to or in relation to the same event, state of affairs or transaction; and

(b) a person is required or permitted, or could be required or permitted, to take an action under both the State taxing law and the corresponding applied law in relation to the event, state of affairs or transaction; and

(c) the person has taken the action in accordance with the corresponding applied law; and

(d) the Commissioner of State Revenue has sufficient information about the event, state of affairs or transaction to carry out his or her functions in relation to it under the State taxing law or the corresponding applied law or both, as the case requires,

then —

(e) the person is not required to take the action under the State taxing law; and

(f) the Commissioner may carry out his or her functions in relation to the event, state of affairs or transaction as if the person had taken whatever action is required or permitted under the State taxing law in relation to the event, state of affairs or transaction.

(3) The particular modifications set out in these regulations of certain State taxing laws have effect for the purposes of section 7(2) of the Act.

---

**Part 5 — Pay-roll tax**

**Division 1 — The Pay-roll Tax Act 2002**

25. **Modification of the Pay-roll Tax Act 2002**

This Division sets out modifications of the *Pay-roll Tax Act 2002* in its application as a law of Western Australia.
26. **Section 4A inserted**

After section 4 the following section is inserted —

```
4A. Application of Act in non-Commonwealth places

(1) In this Act, unless the contrary intention appears —
    (a) a reference to this Act is to be read as a reference to this Act in its application as a law of Western Australia; and
    (b) a reference to the Pay-roll Tax Assessment Act 2002 is to be read as a reference to that Act in its application as a law of Western Australia.

(2) This Act is to be read with the applied Pay-roll Tax Act as a single body of law.
```

Under the Commonwealth Places (Mirror Taxes) Act 1998 s. 8(2) of the Commonwealth, this Act is to be read and construed with any modifications referred to in subsection (1) of that section and, in particular, with the modifications set out in the Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA)) Notice 2007. r. 1-5 and Pt. 5 Div. 1 of that notice read as follows:

```
1. Citation

This notice is the Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA)) Notice 2007.

2. Commencement

This notice comes into operation on the day after the day on which it is registered under the Legislative Instruments Act 2003 of the Commonwealth.

3. When certain modifications have effect

(1) The modifications prescribed in Part 2, Part 3, Part 5, Part 6 Division 2 and Part 7 have effect on and from 1 July 2003.

(2) The modifications prescribed in Part 4 have effect on and from 9 April 2006 and prevail over the modifications in the Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA)) Notice 2002 Part 5 to the extent of any inconsistency.

Note:
4. **Definitions**

In this notice —

**applied WA law** means the provisions of a State taxing law of Western Australia that apply or are taken to have applied in relation to Commonwealth places in Western Australia in accordance with the Commonwealth Mirror Taxes Act;

**Commissioner of State Revenue** means the Commissioner of State Revenue of Western Australia appointed in accordance with the *Taxation Administration Act 2003* section 6 of Western Australia;


5. **Modification of applied WA laws**

(1) For the purposes of the Commonwealth Mirror Taxes Act section 8, each applied WA law is taken to be modified to the extent necessary to give effect to subclause (2).

(2) If —

(a) an applied WA law applies, or could apply, to any extent, to or in relation to an event, state of affairs or transaction, and the corresponding State taxing law also applies, or could apply, to any extent, to or in relation to the same event, state of affairs or transaction; and

(b) a person is required or permitted, or could be required or permitted, to take an action under both the applied WA law and the corresponding State taxing law in relation to the event, state of affairs or transaction; and

(c) the person has taken the action in accordance with the corresponding State taxing law; and

(d) the Commissioner of State Revenue has sufficient information about the event, state of affairs or transaction to carry out his or her functions in relation to it under the applied WA law or the corresponding State taxing law or both, as the case requires,

then —

(e) the person is not required to take the action under the applied WA law; and

(f) the Commissioner may carry out his or her functions in relation to the event, state of affairs or transaction as if the person had taken whatever action is required or
permitted under the applied WA law in relation to the event, state of affairs or transaction.

(3) The particular modifications set out in this notice of certain applied WA laws have effect for the purposes of the Commonwealth Mirror Taxes Act section 8.

Part 5 — Pay-roll tax

Division 1 — The applied Pay-roll Tax Act 2002


This Division sets out modifications of the Pay-roll Tax Act 2002 of Western Australia in its application as a law of the Commonwealth in or in relation to Commonwealth places in Western Australia.

27. Section 4A inserted

After section 4 the following section is inserted —

"4A. Application of Act in Commonwealth places

(1) In this Act, unless the contrary intention appears —

(a) a reference to this Act is to be read as a reference to this Act in its application as a law of the Commonwealth in or in relation to Commonwealth places in Western Australia in accordance with the Commonwealth Places (Mirror Taxes) Act 1998; and

(b) a reference to the Pay-roll Tax Assessment Act 2002 is to be read as a reference to the Pay-roll Tax Assessment Act 2002 of Western Australia in its application as a law of the Commonwealth in or in relation to Commonwealth places in Western Australia in accordance with the Commonwealth Places (Mirror Taxes) Act 1998; and

(c) a reference to the Taxation Administration Act 2003 is to be read as a reference to the Taxation Administration Act 2003 of Western Australia in its application as a law of the Commonwealth in or in relation to Commonwealth places in Western Australia in accordance with the Commonwealth Places (Mirror Taxes) Act 1998.

(2) This Act is to be read with the corresponding Pay-roll Tax Act as a single body of law.

(3) In addition to being modified as prescribed by the Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA))
Notice 2007, this Act is deemed to be further modified to any extent that is necessary or convenient —

(a) to enable this Act to operate effectively as a law of the Commonwealth; and

(b) to ensure that the combined liability of a taxpayer under this Act and the corresponding Pay-roll Tax Act is as nearly as possible the same as the taxpayer’s liability would be under the corresponding Pay-roll Tax Act alone if the Commonwealth places in Western Australia were not Commonwealth places.
### Defined terms

*This is a list of terms defined and the provisions where they are defined. The list is not part of the law.*

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Provision(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>part-year</td>
<td>6(1), 8(1), 10(1)</td>
</tr>
<tr>
<td>period or part-period</td>
<td>7(1)</td>
</tr>
<tr>
<td>sliding scale period</td>
<td>5(3)</td>
</tr>
</tbody>
</table>