



Western Australia

Pay-roll Tax Act 2002

Pay-roll Tax Act 2002

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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.

[4A.^{1M} *Modification, to insert section 4A, to have effect under the Commonwealth Places (Mirror Taxes Administration) Act 1999 s. 7, see Commonwealth Places (Mirror Taxes Administration) Regulations 2007 r. 26 and endnote 1M.]*

[4A.^{1MC} *Modification, to insert section 4A, to have effect under the Commonwealth Places (Mirror Taxes) Act 1998 (Commonwealth) s. 8, see Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA)) Notice 2007 cl. 27 and endnote 1MC.]*

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

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

[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.

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Division 1 Rates for local non-group employers

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Table

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

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

- (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

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

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- (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.

- (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

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- (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

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

[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

This is a compilation of the *Pay-roll Tax Act 2002* and includes amendments made by other written laws. For provisions that have come into operation see the compilation table.

Compilation table

Short title	Number and year	Assent	Commencement
<i>Pay-roll Tax Act 2002</i>	47 of 2002	20 Mar 2003	1 Jul 2003 (see s. 2 and <i>Gazette</i> 27 Jun 2003 p. 2383)
<i>Business Tax Review (Taxing) Act 2003 Pt. 3</i>	41 of 2003	30 Jun 2003	1 Jul 2003 (see s. 2)
<i>Revenue Laws Amendment (Tax Relief) Act (No. 2) 2004 Pt. 3</i>	83 of 2004	8 Dec 2004	8 Dec 2004 (see s. 2)
<i>Pay-roll Tax Amendment (Debt and Deficit Remediation) Act 2017</i>	19 of 2017	13 Dec 2017	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))

^{1M} Under the *Commonwealth Places (Mirror Taxes Administration) Act 1999* s. 7, modifications to State taxing laws may be prescribed. Modifications are prescribed in the *Commonwealth Places (Mirror Taxes Administration) Regulations 2007* Pt. 5 Div. 1.

If a modification is to:

- replace or insert a numbered provision, the new provision is identified by the superscript 1M appearing after the provision number;
- amend a numbered provision, the amended provision is identified by the superscript 1M appearing after the provision number.

^{1MC} Under the *Commonwealth Places (Mirror Taxes) Act 1998* (Commonwealth) s. 8, modifications to State taxing laws, in their application as Commonwealth laws in Commonwealth places in Western Australia, may be prescribed. Modifications are prescribed in the *Commonwealth Places (Mirror Taxes) (Modifications of Applied Laws (WA)) Notice 2007* (Commonwealth) Pt. 5 Div. 1.

If a modification is to:

- replace or insert a numbered provision, the new provision is identified by the superscript 1MC appearing after the provision number;
- amend a numbered provision, the amended provision is identified by the superscript 1MC appearing after the provision number.

Defined terms

[This is a list of terms defined and the provisions where they are defined.

The list is not part of the law.]

Defined term	Provision(s)
part-year	6(1), 8(1), 10(1)
period or part-period	7(1)
sliding scale period	5(3)