

Western Australia

## **Revenue Laws Amendment (Taxation) Act 2001**

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As at 26 Jun 2001

No. 4 of 2001

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## Revenue Laws Amendment (Taxation) Act 2001

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Western Australia

## **Revenue Laws Amendment (Taxation) Act 2001**

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**No. 4 of 2001**

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**An Act to amend the —**

- *Pay-roll Tax Act 1971*; and
- *Stamp Act 1921*.

[Assented to 26 June 2001]

The Parliament of Western Australia enacts as follows:

## **Part 1 — Preliminary**

### **1. Short title**

This Act may be cited as the *Revenue Laws Amendment (Taxation) Act 2001*.

### **2. Commencement**

- (1) Subject to this section, this Act comes into operation on the day on which it receives the Royal Assent.
- (2) If this Act receives the Royal Assent before or on 1 July 2001, Part 2 comes into operation on 1 July 2001.
- (3) If this Act receives the Royal Assent after 1 July 2001, Part 2 is deemed to have come into operation on 1 July 2001.
- (4) If this Act receives the Royal Assent before or on 30 June 2001, Part 3 comes into operation on 30 June 2001.
- (5) If this Act receives the Royal Assent after 30 June 2001, Part 3 is deemed to have come into operation on 30 June 2001.

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**Part 2 — Pay-roll Tax Act 1971 amended**

**3. The Act amended by this Part**

The amendments in this Part are to the *Pay-roll Tax Act 1971*\*.

[\* Reprinted as at 10 November 2000.]

**4. Section 5 replaced**

Section 5 is repealed and the following section is inserted instead —

“

**5. Rates for employers other than group employers or payers of interstate wages**

(1) This section applies in respect of each employer who, during a financial year —

- (a) is not a member of a group; and
- (b) while not a member of a group, does not pay any interstate wages,

and declares the rate of pay-roll tax payable by each such employer for the period that the employer is not a member of a group to be the appropriate rate ascertained in accordance with this section.

(2) If the amount of taxable wages paid or payable by an employer for a month after the month of June 2001, or for part of that month, is —

- (a) not more than \$225 000 x *M*, the rate of pay-roll tax payable for the month, or part of the month, is 3.65%;

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- (b) more than \$225 000 x *M* but less than \$375 000 x *M*, the rate of pay-roll tax payable for the month, or part of the month, is *R*%, where —

$$R = \frac{8\,212.50 M + 0.06025 (W - 225\,000 M)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of taxable wages paid or payable for the month or part of the month;

- (c) not less than \$375 000 x *M* but less than \$468 750 x *M*, the rate of pay-roll tax payable for the month, or part of the month, is *R*%, where —

$$R = \frac{17\,250.00 M + 0.0940 (W - 375\,000 M)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of taxable wages paid or payable for the month or part of the month;

- (d) \$468 750 x *M* or more, the rate of pay-roll tax payable for the month, or part of the month, is 5.56%.

- (3) If the amount of taxable wages paid or payable by an employer for a financial year commencing on 1 July 2001 or 1 July of a subsequent financial year, or for part of that financial year, is —

- (a) not more than \$2 700 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is 3.65%;



- (b) more than \$2 700 000 x *Y* but less than \$4 500 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is *R*%, where —

$$R = \frac{98\,550\,000\,Y + 0.06025\,(W - 2\,700\,000\,Y)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of taxable wages paid or payable for the financial year or part of the financial year;

- (c) not less than \$4 500 000 x *Y* but less than \$5 625 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is *R*%, where —

$$R = \frac{207\,000\,000\,Y + 0.0940\,(W - 4\,500\,000\,Y)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of taxable wages paid or payable for the financial year or part of the financial year;

- (d) \$5 625 000 x *Y* or more, the rate of pay-roll tax for the year, or part of the year, is 5.56%.

- (4) In this section —

“*M*” means —

the number of days in the month for which  
taxable wages were paid or payable ;  
the number of days in the month

“*Y*” means —

the number of days in the financial year for  
which taxable wages were paid or payable .  
the number of days in the financial year  
” .

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**5. Section 6 amended**

- (1) Section 6(1) is repealed and the following subsection is inserted instead —

“

- (1) This section applies in respect of each employer who, during a financial year —
- (a) is not a member of a group; and
  - (b) while not a member of a group, pays interstate wages,

and declares the rate of pay-roll tax payable by each such employer for the period the employer is not a member of a group to be the appropriate rate ascertained in accordance with this section.

”

- (2) Section 6(6) and (7) are repealed and the following subsections are inserted instead —

“

- (6) If the estimated total interstate wages and taxable wages paid or payable by an employer for a financial year commencing on 1 July 2001 or 1 July of a subsequent year, or part of that financial year, is —
- (a) not more than  $\$2\,700\,000 \times Y$ , the rate of pay-roll tax payable each month for the year, or part of the year, shall be determined as 3.65%;

- (b) more than \$2 700 000 x *Y* but less than \$4 500 000 x *Y*, the rate of pay-roll tax payable each month for the year, or part of the year, shall be determined as *R*%, where —

$$R = \frac{98\,550\,Y + 0.06025 (E - 2\,700\,000\,Y)}{E} \times 100$$

(calculated to 2 decimal points)

*E* = amount of total interstate wages and taxable wages estimated by the employer to be paid or payable for the financial year or part of the financial year;

- (c) not less than \$4 500 000 x *Y* but less than \$5 625 000 x *Y*, the rate of pay-roll tax payable each month for the year, or part of the year, shall be determined as *R*%, where —

$$R = \frac{207\,000\,Y + 0.0940 (E - 4\,500\,000\,Y)}{E} \times 100$$

(calculated to 2 decimal points)

*E* = amount of total interstate wages and taxable wages estimated by the employer to be paid or payable for the financial year or part of the financial year;

- (d) \$5 625 000 x *Y* or more, no determination shall be made under this subsection.

- (7) Subject to subsection (11), if the amount of total interstate wages and taxable wages paid or payable by an employer for a financial year commencing on 1 July 2001 or 1 July of a subsequent year, or part of that financial year, is —

- (a) not more than \$2 700 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is 3.65%;

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- (b) more than \$2 700 000 x *Y* but less than \$4 500 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is *R*%, where —

$$R = \frac{98\,550\,Y + 0.06025 (W - 2\,700\,000\,Y)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of total interstate wages and taxable wages paid or payable for the financial year or part of the financial year;

- (c) not less than \$4 500 000 x *Y* but less than \$5 625 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is *R*%, where —

$$R = \frac{207\,000\,Y + 0.0940 (W - 4\,500\,000\,Y)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of total interstate wages and taxable wages paid or payable for the financial year or part of the financial year;

- (d) \$5 625 000 x *Y* or more, the rate of pay-roll tax for the year, or part of the year, is 5.56%.

- (8) In subsections (6) and (7) —

“*Y*” means —

the number of days in the financial year for which interstate wages or taxable wages were paid or payable or estimated to be paid or payable

---

the number of days in the financial year

”

**6. Section 7 amended**

- (1) Section 7(1) is repealed and the following subsection is inserted instead —

“

- (1) This section applies in respect of each employer who, during a financial year —
- (a) pays interstate wages or taxable wages; and
  - (b) is a member of a group at least one member of which pays taxable wages,

and declares the rate of pay-roll tax payable by each such employer that pays taxable wages for the period that the employer is a member of the group to be the appropriate rate ascertained in accordance with this section.

”.

- (2) Section 7(3) is amended by deleting “in Western Australia”.
- (3) Section 7(4) is amended by deleting “those members of the group that pay taxable wages in Western Australia” and inserting instead —

“ the members of the group ”.

- (4) Section 7(5) is amended as follows:
- (a) by deleting “that pays taxable wages in Western Australia”;
  - (b) in paragraph (b) by deleting “in Western Australia”;
  - (c) in paragraph (c) by deleting “such”.
- (5) Section 7(6) is amended by deleting “in Western Australia”.
- (6) Section 7(7) and (8) are repealed and the following subsections are inserted instead —

“

- (7) If the estimated total interstate wages and taxable wages paid or payable by all members of a group

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throughout Australia for a financial year commencing on 1 July 2001 or 1 July of a subsequent year, or part of that year, is —

- (a) not more than \$2 700 000 x *Y*, the rate of pay-roll tax payable each month by each member of the group for the year, or part of the year, shall be determined as 3.65%;
- (b) more than \$2 700 000 x *Y* but less than \$4 500 000 x *Y*, the rate of pay-roll tax payable each month by each member of the group for the year, or part of the year, shall be determined as *R*%, where —

$$R = \frac{98\,550\,Y + 0.06025 (E - 2\,700\,000\,Y)}{E} \times 100$$

(calculated to 2 decimal points)

*E* = amount of total interstate wages and taxable wages estimated to be paid or payable for the financial year or part of the financial year by all members of the group throughout Australia;

- (c) not less than \$4 500 000 x *Y* but less than \$5 625 000 x *Y*, the rate of pay-roll tax payable each month by each member of the group for the year, or part of the year, shall be determined as *R*%, where —

$$R = \frac{207\,000\,Y + 0.0940 (E - 4\,500\,000\,Y)}{E} \times 100$$

(calculated to 2 decimal points)

*E* = amount of total interstate wages and taxable wages estimated to be paid or payable for the financial year or part of the financial year by all members of the group throughout Australia;

- (d) \$5 625 000 x *Y* or more, no determination shall be made under this subsection.
- (8) Subject to subsection (12), if the amount of total interstate wages and taxable wages paid or payable by all members of a group throughout Australia for a financial year commencing on 1 July 2001 or 1 July of a subsequent year, or part of that financial year, is —
- (a) not more than \$2 700 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is 3.65%;
- (b) more than \$2 700 000 x *Y* but less than \$4 500 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is *R*%, where —

$$R = \frac{98\,550\,Y + 0.06025(W - 2\,700\,000\,Y)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of total interstate wages and taxable wages paid or payable for the financial year or part of the financial year by all members of the group throughout Australia;

- (c) not less than \$4 500 000 x *Y* but less than \$5 625 000 x *Y*, the rate of pay-roll tax for the year, or part of the year, is *R*%, where —

$$R = \frac{207\,000\,Y + 0.0940(W - 4\,500\,000\,Y)}{W} \times 100$$

(calculated to 4 decimal points)

*W* = amount of total interstate wages and taxable wages paid or payable for the financial year or part of the financial year by all members of the group throughout Australia;

- (d) \$5 625 000 x *Y* or more, the rate of pay-roll tax for the year, or part of the year, is 5.56%.

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(9) In subsections (7) and (8) —

“Y” means —

the number of days in the financial year for which  
interstate wages or taxable wages were paid or  
payable by a member of the group or estimated to  
be paid or payable

—————  
the number of days in the financial year

·  
”  
.

(7) Section 7(12) is amended by deleting “that pays taxable wages in Western Australia”.

**7. Existing rates and liabilities not affected**

Without limiting the operation of the *Interpretation Act 1984*, the provisions of the principal Act as in force immediately before the commencement of this Act, insofar as they apply to a period before that commencement, continue to have effect in relation to the imposition of pay-roll tax under the principal Act in respect of wages paid or payable for that period and the assessment, collection and payment of any pay-roll tax imposed in respect of such wages.



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**Part 3 — Stamp Act 1921 amended**

**8. Second Schedule item 16 amended**

- (1) The Second Schedule of the *Stamp Act 1921*\* is amended by deleting paragraph (a) of item 16(1) and “5%” in the third column of the Schedule opposite paragraph (a) and inserting instead —

“

- (a) against an employer’s liability to pay compensation under the *Workers’ Compensation and Rehabilitation Act 1981* —
- (i) if, in the 12 months immediately preceding the cover period of the policy the employer —
- (A) was liable to pay pay-roll tax under the *Pay-roll Tax Assessment Act 1971*; or
- (B) paid wages that under section 10 of that Act were not liable to pay-roll tax and employed an average of 15 (or such other number as is prescribed) full time equivalent employees or more —
- (ii) in any other case —
- 5% of the amount calculated under section 96(2)
- 3% of the amount calculated under section 96(2)

”

- (2) The Second Schedule of the *Stamp Act 1921*\* is amended by inserting in the second column after item 16(1) the following subitem —

“

- (1a) The average referred to in subitem (1)(a)(i)(B) is to be calculated on the basis of the number of full time and part time employees as at the last day of each calendar month with part time employees being taken into account as an appropriate fraction of full time employees.

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[\* *Reprinted as at 22 October 1999.*

*For subsequent amendments see 2000 Index to Legislation of Western Australia, Table 1, p.417-24.]*

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