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1987.

WESTERN AUSTRALIA

PAY-ROLL TAX ACT 1971

AN ACT to impose a Pay-roll Tax.

Short title

1. This Act may be cited as the *Pay-roll Tax Act 1971*¹.

Incorporation of *Pay-roll Tax Assessment Act 1971*

2. The *Pay-roll Tax Assessment Act 1971* is incorporated with and shall be read as one with this Act.

Imposition of pay-roll tax

3. Pay-roll tax is hereby imposed and shall be payable pursuant to the *Pay-roll Tax Assessment Act 1971* at the appropriate rate declared in this Act.

[Section 3 amended by No. 53 of 1973 s. 3; No. 82 of 1985 s. 3.]

Rate of pay-roll tax

4. The rate of the pay-roll tax is—

- (a) 3.50% of the taxable wages that were paid or payable during or before the month of August 1973;
- (b) 4.50% of the taxable wages that were paid or payable after the month of August 1973 but during or before the month of August 1974;
- (c) 5% of the taxable wages that are paid or payable after the month of August 1974; and
- (d) 4.75% of the taxable wages that are paid or payable after the month of December 1984 but during or before the month of December 1985.

[Section 4 substituted by No. 53 of 1973 s. 4; amended by No. 2 of 1974 s. 3; No. 96 of 1984 s. 3; No. 82 of 1985 s. 4.]

Rates for employers other than group employers or payers of interstate wages

5. (1) This section applies in respect of every employer who—

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

and declares the rate of pay-roll tax payable by every such employer to be the appropriate rate ascertained in accordance with this section.

(2) Where the amount of taxable wages paid or payable by an employer for a month after the month of December 1985 but during or before the month of July 1986 is—

- (a) not more than \$73 333, the rate of pay-roll tax payable each month is 4%;
- (b) more than \$73 333 but less than \$117 333, the rate of pay-roll tax payable each month is to be ascertained in accordance with the following formula—

$$2\ 933.33 + \frac{3}{50} (A - 73\ 333) \times 100$$

A = amount of taxable wages paid or payable for the month;

- (c) \$117 333 or more, the rate of pay-roll tax payable each month is 4.75%.

(3) Where the amount of taxable wages paid or payable by an employer for the period commencing on 1 January 1986 and ending on 30 June 1986 is—

- (a) not more than \$440 000, the rate of pay-roll tax for the period is 4%;
- (b) more than \$440 000 but less than \$704 000, the rate of pay-roll tax for the period is to be ascertained in accordance with the following formula—

$$\frac{17\,600 + \frac{3}{50}(B - 440\,000)}{B} \times 100$$

B = amount of taxable wages paid or payable for the period;

- (c) \$704 000 or more, the rate of pay-roll tax for the period is 4.75%.

(4) Where the amount of taxable wages paid or payable by an employer for a month after the month of July 1986 is—

- (a) not more than \$83 333, the rate of pay-roll tax payable each month is 3.75%;
- (b) more than \$83 333 but not more than \$150 000, the rate of pay-roll tax payable each month is to be ascertained in accordance with the following formula—

$$\frac{3\,125 + \frac{3}{50}(L - 83\,333)}{L} \times 100$$

L = amount of taxable wages paid or payable for the month;

- (c) more than \$150 000, the rate of pay-roll tax payable each month is 5.75%.

(5) Where the amount of taxable wages paid or payable by an employer for the period commencing on 1 August 1986 and ending on 30 June 1987 is—

- (a) not more than \$916 667, the rate of pay-roll tax for the period is 3.75%;
- (b) more than \$916 667 but not more than \$1 650 000, the rate of pay-roll tax for the period is to be ascertained in accordance with the following formula—

$$\frac{34\,375 + \frac{3}{50}(M - 916\,667)}{M} \times 100$$

M = amount of taxable wages paid or payable for the period;

- (c) more than \$1 650 000, the rate of pay-roll tax for the period is 5.75%.

(6) Where the amount of taxable wages paid or payable by an employer for a financial year commencing on 1 July 1987 or 1 July of a subsequent year is—

- (a) not more than \$1 000 000, the rate of pay-roll tax for the year is 3.75%;
- (b) more than \$1 000 000 but not more than \$1 800 000, the rate of pay-roll tax for the year is to be ascertained in accordance with the following formula—

$$\frac{37\,500 + \frac{3}{50}(N - 1\,000\,000)}{N} \times 100$$

N = amount of taxable wages paid or payable for the year;

- (c) more than \$1 800 000, the rate of pay-roll tax for the year is 5.75%.

[Section 5 inserted by No. 82 of 1982 s. 5; amended by No. 30 of 1986 s. 4.]

Rates for employers who pay interstate wages but are not group members

6. (1) This section applies in respect of every employer who—

- (a) is not a member of a group; and
 (b) pays interstate wages,

and declares the rate of pay-roll tax payable by every such employer to be the appropriate rate ascertained in accordance with this section.

(2) The rate of pay-roll tax payable each month during or before the month of July 1986 by an employer is 4.75% unless and until the Commissioner determines under this section that a lesser rate is payable and informs the employer accordingly.

(3) An employer may request the Commissioner to determine that a lesser rate than 4.75% shall be payable each month and for that purpose shall provide the Commissioner in the approved form and manner with estimates of and other information concerning the total interstate wages and taxable wages that the employer expects to pay throughout Australia in respect of the period commencing on 1 January 1986 and ending on 30 June 1986 or the period of the financial year commencing on 1 July 1986, as the case may require.

(4) Upon receiving a request supported by estimates and information to his satisfaction under subsection (3), the Commissioner shall determine the rate of pay-roll tax payable each month by the employer in accordance with subsections (5) and (6) and shall inform the employer of his determination (if any).

(5) Where the estimated total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 January 1986 and ending on 30 June 1986 is—

- (a) not more than \$440 000, the rate of pay-roll tax payable each month for the period shall be determined as 4%;
- (b) more than \$440 000 but less than \$704 000, the rate of pay-roll tax payable each month for the period shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{17\,600 + \frac{3}{50}(D - 440\,000)}{D} \times 100$$

D = amount of total interstate wages and taxable wages estimated by the employer to be paid or payable for the period;

- (c) \$704 000 or more, no determination shall be made under this subsection.

(6) Where the estimated total interstate wages and taxable wages paid or payable by an employer for a financial year commencing on 1 July 1986 is—

- (a) not more than \$880 000, the rate of pay-roll tax payable each month for the year shall be determined as 4%;
- (b) more than \$880 000 but less than \$1 408 000, the rate of pay-roll tax payable each month for the year shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{35\,200 + \frac{3}{50}(E - 880\,000)}{E} \times 100$$

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

- (c) \$1 408 000 or more, no determination shall be made under this subsection.

(7) Subject to subsection (9), where the amount of total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 January 1986 and ending on 30 June 1986 is—

- (a) not more than \$440 000, the rate of pay-roll tax for the period is 4%;

Pay-roll Tax Act 1971

- (b) more than \$440 000 but less than \$704 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{17\,600 + \frac{3}{50}(F - 440\,000)}{F} \times 100$$

F = amount of total interstate wages and taxable wages paid or payable for the period;

- (c) \$704 000 or more, the rate of pay-roll tax for the period is 4.75%.

(8) Subject to subsection (9), where the amount of total interstate wages and taxable wages paid or payable by an employer for the month of July 1986 is—

- (a) not more than \$73 333, the rate of pay-roll tax for the month is 4%;
- (b) more than \$73 333 but less than \$117 333, the rate of pay-roll tax for the month is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{2\,933.33 + \frac{3}{50}(P - 73\,333)}{P} \times 100$$

P = amount of total interstate wages and taxable wages paid or payable for the month of July 1986;

- (c) \$117 333 or more, the rate of pay-roll tax for the month is 4.75%.

(9) Notwithstanding subsections (7) and (8), if in respect of a year or period before 1 August 1986 an employer fails to comply with section 13 (4) of the *Pay-roll Tax Assessment Act 1971*, the rate of pay-roll tax for the year or period is 4.75%.

(10) The rate of pay-roll tax payable each month after the month of July 1986 by an employer is 5.75% unless and until the Commissioner determines under this section that a lesser rate is payable and informs the employer accordingly.

(11) An employer may request the Commissioner to determine that a lesser rate than 5.75% shall be payable each month after the month of July 1986 and for that purpose shall provide the Commissioner in the approved form and manner with estimates of and other information concerning the total interstate wages and taxable wages that the employer expects to pay throughout Australia in respect of the period commencing on 1 August 1986 and ending on 30 June 1987 or the period of any financial year commencing on 1 July 1987 or 1 July of a subsequent year, as the case may require.

(12) Upon receiving a request supported by estimates and information to his satisfaction under subsection (11), the Commissioner shall determine the rate of pay-roll tax payable each month by the employer in accordance with subsections (13) and (14) and shall inform the employer of his determination (if any).

(13) Where the estimated total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 August 1986 and ending on 30 June 1987 is—

- (a) not more than \$916 667, the rate of pay-roll tax payable each month for the period shall be determined as 3.75%;
- (b) more than \$916 667 but not more than \$1 650 000, the rate of pay-roll tax payable each month for the period shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{34\,375 + \frac{3}{50}(Q - 916\,667)}{Q} \times 100$$

Q = amount of total interstate wages and taxable wages estimated by the employer to be paid or payable for the period;

- (c) more than \$1 650 000, no determination shall be made under this subsection.

(14) Where the estimated total interstate wages and taxable wages paid or payable by an employer for a financial year commencing on 1 July 1987 or 1 July of a subsequent year is—

- (a) not more than \$1 000 000, the rate of pay-roll tax payable each month for the year shall be determined as 3.75%;
- (b) more than \$1 000 000 but not more than \$1 800 000, the rate of pay-roll tax payable each month for the year shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{37\,500 + \frac{3}{50}(R - 1\,000\,000)}{R} \times 100$$

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

- (c) more than \$1 800 000, no determination shall be made under this subsection.

(15) Subject to subsection (17), where the amount of total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 August 1986 and ending on 30 June 1987 is—

- (a) not more than \$916 667, the rate of pay-roll tax for the period is 3.75%;
- (b) more than \$916 667 but not more than \$1 650 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{34\,375 + \frac{3}{50}(S - 916\,667)}{S} \times 100$$

S = amount of total interstate wages and taxable wages paid or payable for the period;

- (c) more than \$1 650 000, the rate of pay-roll tax for the period is 5.75%.

(16) Subject to subsection (17), where the amount of total interstate wages and taxable wages paid or payable by an employer for a financial year commencing on 1 July 1987 or 1 July of a subsequent year is—

- (a) not more than \$1 000 000, the rate of pay-roll tax for the year is 3.75%;
- (b) more than \$1 000 000 but not more than \$1 800 000, the rate of pay-roll tax for the year is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{37\,500 + \frac{3}{50}(T - 1\,000\,000)}{T} \times 100$$

T = amount of total interstate wages and taxable wages paid or payable for the year;

- (c) more than \$1 800 000, the rate of pay-roll tax for the year is 5.75%.

(17) Notwithstanding subsections (15) and (16), if in respect of a year or period after 1 August 1986 an employer fails to comply with section 13 (4) of the *Pay-roll Tax Assessment Act 1971*, the rate of pay-roll tax for the year or period is 5.75%.

[Section 6 inserted by No. 82 of 1985 s. 5; amended by No. 30 of 1986 s. 5.]

Rates for group employers

7. (1) This section applies in respect of every employer who pays taxable wages and is a member of a group and declares the rate of pay-roll tax payable by every such employer to be the appropriate rate ascertained in accordance with this section.

(2) The rate of the pay-roll tax payable each month during or before the month of July 1986 by an employer is 4.75% unless and until the Commissioner determines under this section that a lesser rate is payable and informs the employer accordingly.

(3) An employer who is the designated group employer may request the Commissioner to determine a lesser rate than 4.75% payable each month by every member of the group that pays taxable wages in Western Australia and for that purpose the designated group employer shall provide the Commissioner in the approved form and manner with estimates of and information concerning the total interstate wages and taxable wages that those members of the group that pay taxable wages in Western Australia expect to pay throughout Australia in respect of the period commencing on 1 January 1986 and ending on 30 June 1986 or the period of the financial year commencing on 1 July 1986, as the case may require.

(4) Where a designated group employer is unable to provide the estimates and information required for the purposes of subsection (3), the designated group employer may, by instrument signed by every member of the group that pays taxable wages in Western Australia, notify the Commissioner that—

- (a) the designated group employer is unable to provide the Commissioner with those estimates and that information;
- (b) all members of the group that pay taxable wages in Western Australia request the Commissioner to determine a lower rate than 4.75% payable each month by those members; and
- (c) each such member of the group undertakes to supply directly to the Commissioner those estimates and that information in respect of that member.

(5) Upon receiving a request supported by estimates and information to his satisfaction under subsection (3) or a notice, estimates and information to his satisfaction under subsection (4), the Commissioner shall determine in accordance with subsections (6) and (7) the rate of pay-roll tax payable each month by every member of the group that pays taxable wages in Western Australia and shall inform every such member of the group of his determination (if any).

(6) Where the estimated total interstate wages and taxable wages paid or payable by all members of the group that pay taxable wages in Western

Australia for the period commencing on 1 January 1986 and ending on 30 June 1986 is—

- (a) not more than \$440 000, the rate of pay-roll tax payable each month by each member of the group for the period shall be determined as 4%;
- (b) more than \$440 000 but less than \$704 000, the rate of pay-roll tax payable each month by each member of the group for the period shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{17\,600 + \frac{3}{50}(H - 440\,000)}{H} \times 100$$

H = amount of total interstate wages and taxable wages estimated to be paid or payable for the period by all members of the group that pay taxable wages in Western Australia;

- (c) \$704 000 or more, no determination shall be made under this subsection.

(7) Where the estimated total interstate wages and taxable wages paid or payable by all members of the group that pay taxable wages in Western Australia for a financial year commencing on 1 July 1986 is—

- (a) not more than \$880 000, the rate of pay-roll tax payable each month by each member of the group for the year shall be determined as 4%;
- (b) more than \$880 000 but less than \$1 408 000, the rate of pay-roll tax payable each month by each member of the group for the year shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{35\,200 + \frac{3}{50}(I - 880\,000)}{I} \times 100$$

I = amount of total interstate wages and taxable wages estimated to be paid or payable for the year by all members of the group that pay taxable wages in Western Australia;

- (c) \$1 408 000 or more, no determination shall be made under this subsection.

(8) Subject to subsection (10), where the amount of total interstate wages and taxable wages paid or payable for all members of a group that pay taxable wages in Western Australia for the period commencing on 1 January 1986 and ending on 30 June 1986 is—

- (a) not more than \$440 000, the rate of pay-roll tax for the period is 4%;
- (b) more than \$440 000 but less than \$704 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{17\,600 + \frac{3}{50}(J - 440\,000)}{J} \times 100$$

J = amount of total interstate wages and taxable wages paid or payable for the year by all members of the group that pay taxable wages in Western Australia;

- (c) \$704 000 or more, the rate of pay-roll tax for the period is 4.75%.

(9) Subject to subsection (10), where the amount of total interstate wages and taxable wages paid or payable by all members of a group that pay taxable wages in Western Australia for the month of July 1986 is—

- (a) not more than \$73 333, the rate of pay-roll tax for the month is 4%;
- (b) more than \$73 333 but less than \$117 333, the rate of pay-roll tax for the month is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{2\,933.33 + \frac{3}{50}(U - 73\,333)}{U} \times 100$$

U = amount of total interstate wages and taxable wages paid or payable for the month of July 1986 by all members of the group that pay taxable wages in Western Australia;

- (c) \$117 333 or more, the rate of pay-roll tax for the month is 4.75%.

(10) Notwithstanding subsections (8) and (9), if in respect of a year or period before 1 August 1986 the designated group employer or any member of the group that pays taxable wages in Western Australia, as the case may require, fails to comply with section 13 (4) of the *Pay-roll Tax Assessment Act 1971*, the rate of pay-roll tax for the year or period is 4.75%.

(11) The rate of pay-roll tax payable each month after the month of July 1986 by an employer is 5.75% unless and until the Commissioner determines under this section that a lesser rate is payable and informs the employer accordingly.

(12) An employer who is the designated group employer may request the Commissioner to determine a lesser rate than 5.75% payable each month by every member of the group that pays taxable wages in Western Australia and for that purpose the designated group employer shall provide the Commissioner in the approved form and manner with estimates of and information concerning the total interstate wages and taxable wages that those members of the group that pay taxable wages in Western Australia expect to pay throughout Australia in respect of the period commencing on 1 August 1986 and ending on 30 June 1987 or the period of any financial year commencing on 1 July 1987 or 1 July of a subsequent year, as the case may require.

(13) Where a designated group employer is unable to provide the estimates and information required for the purposes of subsection (12), the designated group employer may, by instrument signed by every member of the group that pays taxable wages in Western Australia, notify the Commissioner that—

- (a) the designated group employer is unable to provide the Commissioner with those estimates and that information;
- (b) all members of the group that pay taxable wages in Western Australia request the Commissioner to determine a lower rate than 5.75% payable each month by those members; and
- (c) each such member of the group undertakes to supply directly to the Commissioner those estimates and that information in respect of that member.

(14) Upon receiving a request supported by estimates and information to his satisfaction under subsection (12) or a notice, estimates and information to his satisfaction under subsection (13), the Commissioner shall determine in accordance with subsections (15) and (16) the rate of pay-roll tax payable each month by every member of the group that pays taxable wages in Western Australia and shall inform every such member of the group of his determination (if any).

(15) Where the estimated total interstate wages and taxable wages paid or payable by all members of the group that pay taxable wages in Western Australia for the period commencing on 1 August 1986 and ending on 30 June 1987 is—

- (a) not more than \$916 667, the rate of pay-roll tax payable each month by each member of the group for the period shall be determined as 3.75%;

- (b) more than \$916 667 but not more than \$1 650 000, the rate of pay-roll tax payable each month by each member of the group for the period shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{34\,375 + \frac{3}{50}(V - 916\,667)}{V} \times 100$$

V = amount of total interstate wages and taxable wages estimated to be paid or payable for the period by all members of the group that pay taxable wages in Western Australia;

- (c) more than \$1 650 000, no determination shall be made under this subsection.

(16) Where the estimated total interstate wages and taxable wages paid or payable by all members of the group that pay taxable wages in Western Australia for a financial year commencing on 1 July 1987 or 1 July of a subsequent year is—

- (a) not more than \$1 000 000, the rate of pay-roll tax payable each month by each member of the group for the year shall be determined as 3.75%;
- (b) more than \$1 000 000 but not more than \$1 800 000, the rate of pay-roll tax payable each month by each member of the group for the year shall be determined (calculated to 2 decimal points) in accordance with the following formula—

$$\frac{37\,500 + \frac{3}{50}(W - 1\,000\,000)}{W} \times 100$$

W = amount of total interstate wages and taxable wages estimated to be paid or payable for the year by all members of the group that pay taxable wages in Western Australia;

- (c) more than \$1 800 000, no determination shall be made under this subsection.

(17) Subject to subsection (19), where the amount of total interstate wages and taxable wages paid or payable for all members of a group that pay taxable wages in Western Australia for the period commencing on 1 August 1986 and ending on 30 June 1987 is—

- (a) not more than \$916 667, the rate of pay-roll tax for the period is 3.75%;

- (b) more than \$916 667 but not more than \$1 650 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{34\,375 + \frac{3}{50}(X - 916\,667)}{X} \times 100$$

X = amount of total interstate wages and taxable wages paid or payable for the year by all members of the group that pay taxable wages in Western Australia;

- (c) more than \$1 650 000, the rate of pay-roll tax for the period is 5.75%.

(18) Subject to subsection (19), where the amount of total interstate wages and taxable wages paid or payable by all members of a group that pay taxable wages in Western Australia for a financial year commencing on 1 July 1987 or 1 July of a subsequent year is—

- (a) not more than \$1 000 000, the rate of pay-roll tax for the year is 3.75%;
- (b) more than \$1 000 000 but not more than \$1 800 000, the rate of pay-roll tax for the year is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{37\,500 + \frac{3}{50}(Y - 1\,000\,000)}{Y} \times 100$$

Y = amount of total interstate wages and taxable wages paid or payable for the year by all members of the group that pay taxable wages in Western Australia;

- (c) more than \$1 800 000, the rate of pay-roll tax for the year is 5.75%.

(19) Notwithstanding subsections (17) and (18), if in respect of a year or period after 1 August 1986 the designated group employer or any member of the group that pays taxable wages in Western Australia, as the case may require, fails to comply with section 13 (4) of the *Pay-roll Tax Assessment Act 1971*, the rate of pay-roll tax for the year or period is 5.75%.

[Section 7 inserted by No. 82 of 1985 s. 5; amended by No. 30 of 1986 s. 6.]

NOTES

¹ This reprint is a compilation as at 2 February 1987 of the *Pay-roll Tax Act 1971* and includes all amendments effected by the other Acts referred to in the following Table.

Table of Acts

| Act | Number and year | Assent | Commencement | Miscellaneous |
|--|-----------------|-------------------|--------------------------------|---------------|
| <i>Pay-roll Tax Act 1971</i> | 11 of 1971 | 30 September 1971 | 30 September 1971 | |
| <i>Pay-roll Tax Act Amendment Act 1973</i> | 53 of 1973 | 6 November 1973 | 1 September 1973 (see s. 2) | |
| <i>Pay-roll Tax Act Amendment Act 1974</i> | 2 of 1974 | 30 August 1974 | 1 September 1974 (see s. 2) | |
| <i>Pay-roll Tax Amendment Act 1984</i> | 96 of 1984 | 7 December 1984 | 1 January 1985 (see s. 2) | |
| <i>Pay-roll Tax Amendment Act 1985</i> | 82 of 1985 | 4 December 1985 | 1 January 1986 (see s. 2) | |
| <i>Pay-roll Tax Amendment Act 1986</i> | 30 of 1986 | 31 July 1986 | 1 August 1986 (see s. 2) | |

