

WESTERN AUSTRALIA

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# PAY-ROLL TAX AMENDMENT ACT

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No. 97 of 1987

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**AN ACT to amend the *Pay-roll Tax Act 1971*.**

[Assented to 16 December 1987]

**BE** it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

## **Short title**

1. This Act may be cited as the *Pay-roll Tax Amendment Act 1987*.

## **Commencement**

2. This Act shall come into operation on 1 January 1988.

**Principal Act**

3. In this Act the *Pay-roll Tax Act 1971\** is referred to as the principal Act.

[\*Reprinted as at 2 February 1987.]

**Section 5 amended**

4. Section 5 of the principal Act is amended—

(a) in subsection (4) by inserting after “July 1986” the following—

“ but during or before the month of December 1987 ”; and

(b) by repealing subsection (6) and substituting the following subsections—

“ (6) Where the amount of taxable wages paid or payable by an employer for the period commencing on 1 July 1987 and ending on 31 December 1987 is—

(a) not more than \$500 000, the rate of pay-roll tax for the period is 3.75%;

(b) more than \$500 000, but not more than \$900 000, the rate of pay-roll tax for the period is to be ascertained in accordance with the following formula—

$$\frac{18\,750 + \frac{3}{50}(N - 500\,000)}{N} \times 100$$

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

(c) more than \$900 000, the rate of pay-roll tax for the period is 5.75%.

(7) Where the amount of taxable wages paid or payable by an employer for a month after the month of December 1987 is—

(a) not more than \$91 667, the rate of pay-roll tax payable each month is 3.75%;

- (b) more than \$91 667 but less than \$165 000, the rate of pay-roll tax payable each month is to be ascertained in accordance with the following formula—

$$\frac{3437.5 + \frac{3}{50} (O - 91\,667)}{O} \times 100$$

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

- (c) \$165 000 or more, the rate of pay-roll tax payable each month is 5.75%.

(8) Where the amount of taxable wages paid or payable by an employer for the period commencing on 1 January 1988 and ending on 30 June 1988 is—

- (a) not more than \$550 000, the rate of pay-roll tax for the period is 3.75%;
- (b) more than \$550 000 but less than \$990 000, the rate of pay-roll tax for the period is to be ascertained in accordance with the following formula—

$$\frac{20\,625 + \frac{3}{50} (P - 550\,000)}{P} \times 100$$

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

- (c) \$990 000 or more, the rate of pay-roll tax for the period is 5.75%.

(9) Where the amount of taxable wages paid or payable by an employer for a financial year commencing on 1 July 1988 or 1 July of a subsequent year is—

- (a) not more than \$1 100 000, the rate of pay-roll tax for the year is 3.75%;

- (b) more than \$1 100 000 but less than \$1 980 000, the rate of pay-roll tax for the year is to be ascertained in accordance with the following formula—

$$\frac{41\,250 + \frac{3}{50}(Q - 1\,100\,000)}{Q} \times 100$$

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

- (c) \$1 980 000 or more, the rate of pay-roll tax for the year is 5.75%.”

## Section 6 amended

### 5. Section 6 of the principal Act is amended—

- (a) in subsection (11) by deleting “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.” and substituting the following—

“ any of the following periods, as the case may require—

- (a) the period commencing on 1 August 1986 and ending on 30 June 1987;
  - (b) the period commencing on 1 July 1987 and ending on 31 December 1987;
  - (c) the period commencing on 1 January 1988 and ending on 30 June 1988;
  - (d) the period of any financial year commencing on 1 July 1988 or 1 July of a subsequent year. ”;
- (b) in subsection (12) by deleting “and (14)” and substituting the following—

“ , (14), (17) and (18) ”;

- (c) by repealing subsection (14) and substituting the following subsection—

“ (14) Where the estimated total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 July 1987 and ending on 31 December 1987 is—

- (a) not more than \$500 000, the rate of pay-roll tax payable each month for the period shall be determined as 3.75%;
- (b) more than \$500 000 but not more than \$900 000, 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—

$$\frac{18\,750 + \frac{3}{50} (R - 500\,000)}{R} \times 100$$

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

- (c) more than \$900 000, no determination shall be made under this subsection. ”;
- (d) in subsection (15) by deleting “(17)” and substituting the following—

“ (21) ”;

- (e) by repealing subsection (16) and substituting the following subsection—

“ (16) Subject to subsection (21), where the amount of total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 July 1987 and ending on 31 December 1987 is—

- (a) not more than \$500 000, the rate of pay-roll tax for the period is 3.75%;

- (b) more than \$500 000 but not more than \$900 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{18\,750 + \frac{3}{50} (T - 500\,000)}{T} \times 100$$

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

- (c) more than \$900 000, the rate of pay-roll tax for the period is 5.75%. ”; and
- (f) by repealing subsection (17) and substituting the following subsections—

“ (17) Where the estimated total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 January 1988 and ending on 30 June 1988 is—

- (a) not more than \$550 000, the rate of pay-roll tax payable each month for the period shall be determined as 3.75%;
- (b) more than \$550 000 but less than \$990 000, 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—

$$\frac{20\,625 + \frac{3}{50} (U - 550\,000)}{U} \times 100$$

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

- (c) \$990 000 or more, no determination shall be made under this subsection.

(18) Where the estimated total interstate wages and taxable wages paid or payable by an employer for a financial year commencing on 1 July 1988 or 1 July of a subsequent year is—

- (a) not more than \$1 100 000, the rate of pay-roll tax payable each month for the year shall be determined as 3.75%;
- (b) more than \$1 100 000 but less than \$1 980 000, 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—

$$\frac{41\,250 + \frac{3}{50} (V - 1\,100\,000)}{V} \times 100$$

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

- (c) \$1 980 000 or more, no determination shall be made under this subsection.

(19) Subject to subsection (21), where the amount of total interstate wages and taxable wages paid or payable by an employer for the period commencing on 1 January 1988 and ending on 30 June 1988 is—

- (a) not more than \$550 000, the rate of pay-roll tax for the period is 3.75%;
- (b) more than \$550 000 but less than \$990 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{20\,625 + \frac{3}{50} (W - 550\,000)}{W} \times 100$$

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

- (c) \$990 000 or more, the rate of pay-roll tax for the period is 5.75%.

(20) Subject to subsection (21), where the amount of total interstate wages and taxable wages paid or payable by an employer for a financial year commencing on 1 July 1988 or 1 July of a subsequent year is—

- (a) not more than \$1 100 000, the rate of pay-roll tax for the year is 3.75%;
- (b) more than \$1 100 000 but less than \$1 980 000, the rate of pay-roll tax payable for the year is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{41\,250 + \frac{3}{50} (X - 1\,100\,000)}{X} \times 100$$

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

- (c) \$1 980 000 or more, the rate of pay-roll tax for the year is 5.75%.

(21) Notwithstanding subsections (15), (16), (19) and (20), 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 7 amended

6. Section 7 of the principal Act is amended—

- (a) in subsection (12) by deleting “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.” and substituting the following—

“ any of the following periods, as the case may require—

- (a) the period commencing on 1 August 1986 and ending on 30 June 1987;

- (b) the period commencing on 1 July 1987 and ending on 31 December 1987;
- (c) the period commencing on 1 January 1988 and ending on 30 June 1988;
- (d) the period of any financial year commencing on 1 July 1988 or 1 July of a subsequent year. ”;
- (b) in subsection (14) by deleting “and (16)” and substituting the following—
- “ , (16), (19) and (20) ”;
- (c) by repealing subsection (16) and substituting the following 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 the period commencing on 1 July 1987 and ending on 31 December 1987 is—

- (a) not more than \$500 000, 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 \$500 000 but not more than \$900 000, 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—

$$\frac{18\,750 + \frac{3}{50} (W - 500\,000)}{W} \times 100$$

W = 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 \$900 000, no determination shall be made under this subsection. ”;

- (d) in subsection (17) by deleting “(19)” and substituting the following—

“ (23) ”;

- (e) by repealing subsection (18) and substituting the following subsection—

“ (18) Subject to subsection (23), 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 period commencing on 1 July 1987 and ending on 31 December 1987 is—

(a) not more than \$500 000, the rate of pay-roll tax for the period is 3.75%;

(b) more than \$500 000 but not more than \$900 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{18\,750 + \frac{3}{50} (Y - 500\,000)}{Y} \times 100$$

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

(c) more than \$900 000, the rate of pay-roll tax for the period is 5.75%. ”;and

- (f) by repealing subsection (19) and substituting the following subsections—

“ (19) 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 1988 and ending on 30 June 1988 is—

(a) not more than \$550 000, 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 \$550 000 but less than \$990 000, 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—

$$\frac{20\,625 + \frac{3}{50}(Z - 550\,000)}{Z} \times 100$$

Z = 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) \$990 000 or more, no determination shall be made under this subsection.

(20) 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 1988 or 1 July of a subsequent year is—

- (a) not more than \$1 100 000, 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 \$1 100 000 but less than \$1 980 000, 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—

$$\frac{41\,250 + \frac{3}{50}(ZA - 500\,000)}{ZA} \times 100$$

ZA = 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) \$1 980 000 or more, no determination shall be made under this subsection.

(21) Subject to subsection (23), 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 period commencing on 1 January 1988 and ending on 30 June 1988 is—

- (a) not more than \$550 000, the rate of pay-roll tax for the period is 3.75%;
- (b) more than \$550 000 but less than \$990 000, the rate of pay-roll tax for the period is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{20\ 625 + \frac{3}{50} (ZB - 550\ 000)}{ZB} \times 100$$

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

- (c) \$990 000 or more, the rate of pay-roll tax for the period is 5.75%.

(22) Subject to subsection (23), 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 1988 or 1 July of a subsequent year is—

- (a) not more than \$1 100 000, the rate of pay-roll tax for the year is 3.75%;
- (b) more than \$1 100 000 but less than \$1 980 000, the rate of pay-roll tax payable for the year is to be ascertained (calculated to 4 decimal points) in accordance with the following formula—

$$\frac{41\ 250 + \frac{3}{50} (ZC - 1\ 100\ 000)}{ZC} \times 100$$

ZC = 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) \$1 980 000 or more, the rate of pay-roll tax for the year is 5.75%.

(23) Notwithstanding subsections (17), (18), (21) and (22), 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%. ”.

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