

1991
THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

(As presented)

(Mr Collaery)

Payroll Tax (Amendment) Bill 1991

**A BILL
FOR**

An Act to amend the *Payroll Tax Act 1987*

The Legislative Assembly for the Australian Capital Territory enacts as follows:

Short title

1. This Act may be cited as the *Payroll Tax (Amendment) Act 1991*.

Principal Act

2. In this Act, "Principal Act" means the *Payroll Tax Act 1987*.¹

Application of Act to certain contracts

3. Section 3B of the Principal Act is amended—

- (a) by omitting paragraph (1) (d) and substituting the following paragraph:

“(d) is supplied with services in relation to the performance of work, being services—

- (i) that are ancillary to the supply of goods under the contract by the person by whom the services are supplied or to the use of the goods which are the property of that person;
- (ii) that are supplied exclusively by that person; and
- (iii) the invoiced cost of which (excluding the invoiced cost of the goods) is equal to or less than 35% of the total contract price in respect of that work;”;

- (b) by inserting in subparagraph (1) (e) (i) “in the usual course of that person’s business” after “designated person”;

- (c) by omitting “or” from the end of subparagraph (1) (e) (i);

- (d) by adding at the end of paragraph (1) (e) the following word and subparagraph:

“; or (iii) those services are provided for a period that does not exceed 90 days or for periods that, in the aggregate, do not exceed 90 days in a financial year;”;

- (e) by inserting after paragraph (1) (e) the following word and paragraph:

“; or (f) is supplied by a person (in this paragraph called the “contractor”) with services in relation to the performance of work under a contract to which paragraphs (d) and (e) do not apply, where the work to which the services relate is performed—

- (i) where the contractor is a natural person, by the contractor and 1 or more persons employed by, or who provide services for, the contractor in the course of a business carried on by the contractor; or

- (ii) where the contractor is a partnership of 2 or more natural persons—

- (A) by 1 or more members of the partnership and 1 or more persons employed by, or who provide services for, the contractor in

the course of a business carried on by the contractor; or

(B) exclusively by 2 or more members of the partnership;";

- (f) by omitting from subsection (1) "an intention either directly or indirectly" and substituting "the prime motive"; and
- (g) by omitting from paragraph (3) (b) "an intention either directly or indirectly" and substituting "the prime motive".

Contracts that are not service contracts

4. Section 3C of the Principal Act is amended by omitting "an intention either directly or indirectly" and substituting "the prime motive".

Agreement etc. to reduce or avoid liability to payroll tax

5. Section 5A of the Principal Act is amended—

- (a) by omitting from subsection (1) "effect of" and substituting "prime motive for"; and
- (b) by inserting in paragraph (1) (c) "(excluding payments in respect of the invoiced cost of goods and equipment)" after "payment".

Review of decisions

6. Section 19 of the Principal Act is amended by omitting from paragraph (a) "an intention either directly or indirectly" and substituting "the prime motive".