

2025

THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

(As presented)

(Treasurer)

Payroll Tax Amendment Bill 2025

A Bill for

An Act to amend the *Payroll Tax Act 2011*

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

1	1	Name of Act
2		This Act is the <i>Payroll Tax Amendment Act 2025</i> .
3	2	Commencement
4		This Act is taken to have commenced on 1 July 2025.
5		<i>Note</i> The naming and commencement provisions are taken to have
6		commenced on 1 July 2025 (see Legislation Act , s 75 (2)).
7	3	Legislation amended
8		This Act amends the <i>Payroll Tax Act 2011</i> .
9	4	Amount of payroll tax
10		New section 8 (2) and (3)
11		<i>insert</i>
12	(2)	However, for the financial year beginning on 1 July 2025, the amount
13		of payroll tax payable by an employer must be worked out in
14		accordance with schedule 2A instead of schedules 1 and 2, if the total
15		wages paid or payable by the employer for the financial year are more
16		than \$150 million.
17	(3)	In this section:
18		<i>total wages</i> , for the financial year beginning on 1 July 2025—see
19		schedule 2A (Special provisions for 2025-2026 financial year),
20		section 2A.2 (4).
21	5	Motor vehicle allowances
22		New section 29 (6A)
23		<i>insert</i>
24	(6A)	A reference in subsection (6) to the method in schedule 1, part 1.5
25		includes that method as applied under schedule 2A, division 2A.2.5.

6 Calculation of correct amount of payroll tax
New section 82 (1A)

insert

(1A) However, the ***correct amount of payroll tax*** payable by an employer for the financial year beginning on 1 July 2025, if the total wages paid or payable by the employer for the financial year are more than \$150 million, is the amount worked out under the following divisions of schedule 2A for the financial year:

- (a) division 2A.2.2 (Employers who are not members of a group);
- (b) division 2A.2.3 (Groups with a designated group employer);
- (c) division 2A.2.4 (Groups with no designated group employer).

7 New section 82 (4)

insert

(4) In this section:

total wages, for the financial year beginning on 1 July 2025—see schedule 2A (Special provisions for 2025-2026 financial year), section 2A.2 (4).

8 New schedule 2A

insert

**Schedule 2A Special provisions for
2025-2026 financial year**

(see s 8 (2), 29 (6A) and 82 (1A))

Part 2A.1 Preliminary

2A.1 Definitions—sch 2A

In this schedule:

2025-2026 financial year means the financial year beginning on 1 July 2025.

annual threshold amount means the amount determined under the *Taxation Administration Act 1999*, section 139 for this Act, schedule 1 for the 2025-2026 financial year.

Note The annual threshold amount under the *Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2025* (DI2025-161) is \$2 000 000.

N means each of the following periods:

(a) the period beginning on 1 July 2025 and ending on 31 December 2025;

(b) the period beginning on 1 January 2026 and ending on 30 June 2026.

R means—

- (a) for the period beginning on 1 July 2025 and ending on 31 December 2025—the rate determined under the *Taxation Administration Act 1999*, section 139 for schedule 1 or schedule 2, part 2.1 for the 2025-2026 financial year; and

Note The applicable rate under the *Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2025* (DI2025-161) is 7.85%.

- (b) for the period beginning on 1 January 2026 and ending on 30 June 2026—8.75%.

2A.2 Application—sch 2A

- (1) This schedule applies to an employer if the total wages paid or payable by the employer for the 2025-2026 financial year are more than \$150 million.
- (2) Despite subsection (1), this schedule does not apply to the following employers:
- (a) Australian Catholic University;
 - (b) Charles Sturt University;
 - (c) Australian National University;
 - (d) University of New South Wales;
 - (e) University of Canberra.
- (3) This schedule applies for the purpose of working out the payroll tax payable by the employer for the 2025-2026 financial year.
- (4) In this section:

total wages, for the 2025-2026 financial year, means—

- (a) for an employer who is not a member of a group—the total taxable wages and interstate wages paid or payable by the employer in the 2025-2026 financial year; or

- 1 (b) for an employer who is a member of a group for which there is
2 a designated group employer—the total taxable wages and
3 interstate wages paid or payable by the group in the 2025-2026
4 financial year; or
- 5 (c) for an employer who is a member of a group for which there is
6 no designated group employer—the total taxable wages and
7 interstate wages paid or payable by the group in the 2025-2026
8 financial year.

9 **Part 2A.2 Calculation of payroll tax liability**

10 **Division 2A.2.1 Preliminary**

11 **2A.3 Calculation of payroll tax for 2025-2026 financial year**

12 The amount of payroll tax payable by the employer in the 2025-2026
13 financial year is the sum of—

- 14 (a) the amount payable by the employer for the period beginning on
15 1 July 2025 and ending on 31 December 2025 worked out in
16 accordance with this schedule; and
- 17 (b) the amount payable by the employer for the period beginning on
18 1 January 2026 and ending on 30 June 2026 worked out in
19 accordance with this schedule.

20 **Division 2A.2.2 Employers who are not members of a**
21 **group**

22 **2A.4 Application—div 2A.2.2**

23 This division applies only to an employer who is not a member of a
24 group.

2A.5 Definitions—div 2A.2.2

In this division:

C means the number of days in N in relation to which the employer paid or was liable to pay taxable wages or interstate wages (otherwise than as a member of a group).

IW means the total interstate wages paid or payable by the employer (otherwise than as a member of a group) for N.

TA (or *threshold amount*), for the 2025-2026 financial year, means the amount calculated by multiplying the annual threshold amount by $C/365$.

TW means the total taxable wages paid or payable by the employer (otherwise than as a member of a group) for N.

2A.6 Calculation of payroll tax

The employer is liable to pay as payroll tax for the 2025-2026 financial year the amount worked out as follows:

$$\left[TW - \left[\frac{TW}{TW+IW} \times TA \right] \right] \times R$$

Division 2A.2.3 Groups with a designated group employer

2A.7 Application—div 2A.2.3

This division applies only to an employer who is a member of a group for which there is a designated group employer.

2A.8 Definitions—div 2A.2.3

In this division:

C means the number of days in N in relation to which at least 1 member of the group paid or was liable to pay taxable wages or interstate wages (as a member of a group).

8 *TW* means the total taxable wages paid or payable by the employer
9 (as a member of the group) for N.

18 TW \times R

22 This division applies only to an employer who is a member of a group
23 for which there is no designated group employer.

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