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

1 2	6		Calculation of correct amount of payroll tax New section 82 (1A)
3			insert
4 5 6 7 8		(1A)	However, the <i>correct amount of payroll tax</i> 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:
9			(a) division 2A.2.2 (Employers who are not members of a group);
10			(b) division 2A.2.3 (Groups with a designated group employer);
11			(c) division 2A.2.4 (Groups with no designated group employer).
12	7		New section 82 (4)
13			insert
14		(4)	In this section:
5 6 7			<i>total wages</i> , for the financial year beginning on 1 July 2025—see schedule 2A (Special provisions for 2025-2026 financial year), section 2A.2 (4).

1	8	New sched	New schedule 2A		
2		insert			
3	Schedule 2A		Special provisions for 2025-2026 financial year		
5	· · · · · · · · · · · · · · · · · · ·				
6	Part 2A.1		Preliminary		
7	2A.1	Definitions	—sch 2A		
8		In this sched	ıle:		
9 10		2025-2026 f 1 July 2025.	inancial year means the financial year beginning on		
11 12 13		Taxation Ac	Shold amount means the amount determined under the Iministration Act 1999, section 139 for this Act, or the 2025-2026 financial year.		
14 15 16		(Amo	annual threshold amount under the <i>Taxation Administration</i> unts and Rates—Payroll Tax) Determination 2025 (DI2025-161) is 0 000.		
17		N means each	h of the following periods:		
18 19		` /	riod beginning on 1 July 2025 and ending on ember 2025;		
20 21		(b) the per 30 June	riod beginning on 1 January 2026 and ending on 2026.		

1		R means—
2 3 4 5		(a) for the period beginning on 1 July 2025 and ending on 31 December 2025—the rate determined under the <i>Taxation Administration Act 1999</i> , section 139 for schedule 1 or schedule 2, part 2.1 for the 2025-2026 financial year; and
6 7 8		Note The applicable rate under the Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2025 (DI2025-161) is 7.85%.
9 10		(b) for the period beginning on 1 January 2026 and ending on 30 June 2026—8.75%.
11	2A.2	Application—sch 2A
12 13 14	(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.
15 16	(2)	Despite subsection (1), this schedule does not apply to the following employers:
17		(a) Australian Catholic University;
18		(b) Charles Sturt University;
19		(c) Australian National University;
20		(d) University of New South Wales;
21		(e) University of Canberra.
22 23	(3)	This schedule applies for the purpose of working out the payroll tax payable by the employer for the 2025-2026 financial year.
24	(4)	In this section:
25		total wages, for the 2025-2026 financial year, means—
26 27 28		(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 2 3 4		(b)	for an employer who is a member of a group for which there is a designated group employer—the total taxable wages and interstate wages paid or payable by the group in the 2025-2026 financial year; or
5 6 7 8		(c)	for an employer who is a member of a group for which there is no designated group employer—the total taxable wages and interstate wages paid or payable by the group in the 2025-2026 financial year.
9	Part 2	A.2	Calculation of payroll tax liability
10	Divisio	n 2A	2.2.1 Preliminary
11	2A.3	Cal	culation of payroll tax for 2025-2026 financial year
12			amount of payroll tax payable by the employer in the 2025-2026 ncial year is the sum of—
4 5 6		(a)	the amount payable by the employer for the period beginning on 1 July 2025 and ending on 31 December 2025 worked out in accordance with this schedule; and
7 8 9		(b)	the amount payable by the employer for the period beginning on 1 January 2026 and ending on 30 June 2026 worked out in accordance with this schedule.
20 21	Divisio	n 2A	2.2.2 Employers who are not members of a group
22	2A.4	Арр	olication—div 2A.2.2
23 24		This grou	s division applies only to an employer who is not a member of a up.

ı	ZA. 3	Delilitions—alv ZA.Z.Z
2		In this division:
3 4 5		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).
6 7		<i>IW</i> means the total interstate wages paid or payable by the employer (otherwise than as a member of a group) for N.
8 9 10		<i>TA</i> (or <i>threshold amount</i>), for the 2025-2026 financial year, means the amount calculated by multiplying the annual threshold amount by C/365.
11 12		TW means the total taxable wages paid or payable by the employer (otherwise than as a member of a group) for N.
13	2A.6	Calculation of payroll tax
14 15		The employer is liable to pay as payroll tax for the 2025-2026 financial year the amount worked out as follows:
16		$\left[TW - \left[\frac{TW}{TW + IW} \times TA \right] \right] \times R$
17 18	Divisio	on 2A.2.3 Groups with a designated group employer
19	2A.7	Application—div 2A.2.3
20 21		This division applies only to an employer who is a member of a group for which there is a designated group employer.
22	2A.8	Definitions—div 2A.2.3
23		In this division:
24 25 26		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).

1 2		for N.
3		GTW means the total taxable wages paid or payable by the group for N.
5 6 7		<i>TA</i> (or <i>threshold amount</i>), for the 2025-2026 financial year, means the amount calculated by multiplying the annual threshold amount by C/365.
8 9		TW means the total taxable wages paid or payable by the employer (as a member of the group) for N.
10	2A.9	Calculation of payroll tax
11 12 13	(1)	The designated group employer for the group is liable to pay as payroll tax for the 2025-2026 financial year the amount worked out as follows:
14		$\left[TW - \left[\frac{GTW}{GTW + GIW} \times TA \right] \right] \times R$
15 16 17	(2)	Each member of the group (other than the designated group employer) is liable to pay as payroll tax for the 2025-2026 financial year the amount worked out as follows:
18		$TW \times R$
19 20	Divisio	n 2A.2.4 Groups with no designated group employer
21	2A.10	Application—div 2A.2.4
22 23		This division applies only to an employer who is a member of a group for which there is no designated group employer.

1	2A.11	Meaning of <i>TW</i> —div 2A.2.4
2		In this division:
3 4		TW means the total taxable wages paid or payable by the employer (as a member of the group) for N.
5	2A.12	Calculation of payroll tax
6 7		Each member of the group is liable to pay as payroll tax for the 2025-2026 financial year the amount worked out as follows:
8		$TW \times R$
9	Divisio	n 2A.2.5 Motor vehicle allowances
10	2A.13	Working out business kilometres
11		Schedule 1, part 1.5 applies to this schedule for the purpose of
12 13		working out K and the exempt component of a motor vehicle allowance paid or payable for the 2025-2026 financial year under
14		section 29.
15	Part 2	A.3 Calculation of monthly payroll
16		tax
17	2A.14	Calculation of monthly payroll tax
18 19	(1)	Schedule 2 applies for the purpose of calculating the payroll tax payable by an employer in a month in the 2025-2026 financial year.
20	(2)	However, subsection (3) also applies if the total taxable wages paid
21 22		or payable by an employer, or members of a group of which the employer is a member, in a month are more than \$12 500 000 for a
23		month in the period beginning on 1 January and ending on 30 June in
24		the 2025-2026 financial year.

5

(3) A reference in a provision of schedule 2 to **R**, or the rate determined under the *Taxation Administration Act*, section 139 for the provision, is taken to be a reference to 8.75% for the purpose of calculating the payroll tax payable by the employer for the period beginning on 1 January and ending on 30 June in the 2025-2026 financial year.

Endnotes

1 Presentation speech

Presentation speech made in the Legislative Assembly on 3 September 2025.

2 Notification

Notified under the Legislation Act on

2025.

3 Republications of amended laws

For the latest republication of amended laws, see www.legislation.act.gov.au.

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