

EXPLANATORY STATEMENT

AUSTRALIAN CAPITAL TERRITORY

PAYROLL TAX (AMENDMENT) ORDINANCE 1989

No. 15 of 1989

The Payroll Tax Ordinance 1987 (the Principal Ordinance) is an Ordinance relating to the assessment of liability to payroll tax. The Principal Ordinance, in paragraph 9(b), provides that charitable organisations are exempt from payroll tax. The definition of "charitable organisation", in section 3 of the Principal Ordinance, results in the exemption applying to all educational institutions. This was an unintended consequence of the Principal Ordinance.

The Payroll Tax (Amendment) Ordinance 1989 (the amending Ordinance) amends section 9 of the Principal Ordinance in order to clarify that tertiary educational institutions and technical schools and colleges are liable to payroll tax. This restores the liability of these organisations to the position which existed prior to the commencement of the Principal Ordinance. The amending Ordinance does not have retrospective operation.

Details of the amending Ordinance are set out below:

Section 1 of the amending Ordinance provides for the short title to be cited as the Payroll Tax (Amendment) Ordinance 1989.

Section 2 of the amending Ordinance amends section 9 of the Principal Ordinance by qualifying the scope of the exemption of charitable organisations from payroll tax, so that tertiary educational institutions and technical schools and colleges are not exempted.

**ISSUED BY THE AUTHORITY OF
THE MINISTER OF STATE FOR THE
ARTS AND TERRITORIES**