

Taxation Administration (Amounts and Rates-Payroll Tax) Determination 2014 (No 1)

Disallowable instrument DI2014–180

made under the

Taxation Administration Act 1999, s 139 (Determination of amounts payable under tax laws)

EXPLANATORY STATEMENT

1. This Disallowable Instrument commences on 1 July 2014.
2. As part of the 2014-15 Budget, the Government is continuing to reform the Territory's taxation system, including further reform to the payroll tax system (following increases to the payroll tax threshold introduced in 2012-13). This instrument continues the Government's reform to the payroll tax system and will reduce the number of businesses paying payroll tax in the Territory.
3. Under section 139 of the *Taxation Administration Act 1999*, the Minister has the authority to determine, in writing by disallowable instrument, amounts and rates applicable for the *Payroll Tax Act 2011*.
4. This instrument determines the threshold for the payment of ACT payroll tax under the *Payroll Tax Act 2011* commencing on 1 July 2014. This instrument increases the annual Australia-wide wages threshold from \$1,750,000 to \$1,850,000 and the monthly threshold from \$145,833.33 to \$154,166.66.
5. Section 86 of the *Payroll Tax Act 2011* requires employers to register once they exceed the monthly threshold as determined and they must then lodge monthly returns and pay their payroll tax liability.
6. Payroll tax is collected monthly, but is an annual tax based on Australia-wide wages paid or payable during the whole or part of a financial year. The monthly wages threshold above which an employer is required to register for ACT payroll tax is determined at \$154,166.66 for the 2014-15 financial year.
7. This instrument also determines the rate used to calculate payroll tax on the total wages paid or payable in excess of the monthly threshold of \$154,166.65 (\$1,850,000 per annum) at 6.85%. This rate remains unchanged from the 2013-14 financial year.

8. This instrument revokes DI2012-103. However, DI2012-103 continues to apply to payroll tax on taxable wages (within the meaning of the *Payroll Tax Act 2011*) paid or payable before 1 July 2014.

Authorised by the Acting Treasurer
Katy Gallagher MLA