

# Taxation Administration (Special Arrangements – Lodging of Returns) Determination 2014 (No 1)

Disallowable instrument DI2014–245

made under the

*Taxation Administration Act 1999*, s 42 (Special arrangements for classes of people)

## EXPLANATORY STATEMENT

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1. This Disallowable Instrument is taken to have commenced on 1 July 2014. This is a new instrument that does not revoke an existing instrument.
2. Payroll tax is payable by an employer in the ACT if its total Australia-wide taxable wages, or the total taxable wages of the group that it belongs to, exceed the determined threshold. 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.
3. Section 86 of the *Payroll Tax Act 2011* (the Payroll Tax Act) requires employers to register once the total taxable wages exceed the determined monthly threshold. Under section 87 of the Payroll Tax Act, an employer who is registered (or required to be registered) must then lodge monthly returns and pay its payroll tax liability.
4. Under section 42 of the *Taxation Administration Act 1999*, the Commissioner for ACT Revenue (the Commissioner) has the authority to determine (by disallowable instrument) an approval for special arrangements for making returns and paying tax, for a specified class of taxpayers.
5. This instrument determines that if the annual payroll tax liability for a registered employer is \$6,000 or less, that employer may apply to the Commissioner under section 87A of the Payroll Tax Act to lodge annual payroll tax returns (as opposed to monthly returns).
6. An application by a registered employer to the Commissioner to vary the lodgment period must be in writing (addressed to the Commissioner) and specify the grounds on which the variation is sought.
7. If an approval is given to lodge annual returns, and if at any time the Commissioner is satisfied that the annual payroll tax liability of the registered employer will exceed \$6,000, the approval to lodge annual instead of monthly returns may be revoked.

8. This instrument clarifies an existing administrative process within the ACT Revenue Office. The threshold amount has not previously been determined by instrument. Prior to 1 July 2014, the threshold value was determined by administrative practice as \$3,000.
9. Implementation of this instrument and the increase of the threshold value to \$6,000 provides greater clarity to taxpayers and the ACT Revenue Office. Increasing the threshold value will allow a greater number of registered employers to reduce their administrative burden by lodging annual, rather than monthly, payroll tax returns.
10. This instrument is not intended to limit the application of section 87A of the Payroll Tax Act. Registered employers can also apply to the Commissioner for a variation to the lodgment period, where the circumstances of the employer justify variation to the lodgment period, and the Commissioner is satisfied on reasonable grounds that it would be unduly onerous for the employer to lodge a return within the usual timeframes.

Authorised by Kim Salisbury  
Commissioner for ACT Revenue  
10 September 2014