

Australian Capital Territory

Taxation Administration (Payroll Tax— Businesses Not Permitted to Operate) COVID-19 Exemption Scheme Determination 2020

Disallowable instrument DI2020–279

made under the

Taxation Administration Act 1999, s 137E (COVID-19 Exemption Scheme)

EXPLANATORY STATEMENT

On 9 August 2020, the Government announced extended support for businesses to address the economic impacts of COVID-19 on young people.

As part of the extended support, the *Taxation Administration (Payroll Tax—Businesses Not Permitted to Operate) COVID-19 Exemption Scheme Determination 2020* (the **Determination**) determines a scheme to exempt wages paid or payable by eligible employers whose business are not permitted to operate due to ACT Government restrictions over the period 1 September 2020 to 30 November 2020.

Business permitted to operate only on a very restricted basis over the same period due to ACT Government restrictions may apply separately for waivers under the *Financial Management Act 1996* of payroll tax. These applications will be considered on a case-by-case basis.

Determination

The Determination sets out, for the purposes of the exemption:

- the eligibility requirements; and
- the period of exemption.

An eligible employer is an employer controls or operates a business that is not permitted to operate due to an emergency direction or action under section 120 of the *Public Health Act 1997*.

The Determination applies to wages paid or payable by eligible employers for a specified period—the months of September, October and/or November 2020. If at any time during one of the specified months, the employer’s business is not permitted to operate they will be exempt from payroll taxes on wages for that particular month. Accordingly, the exemption may apply to payroll tax ordinarily payable in the months of October, November and/or December 2020, as the payroll tax relates to wages paid or payable in the related months of September, October and/or November 2020.

Expiry

This instrument expires on 8 December 2020.

Human Rights Act 2004

This instrument provides an exemption to payroll tax and does not limit, and is consistent with, human rights. By providing exemption to wages paid or payable by eligible employers, it promotes the right to work (section 27B of the *Human Rights Act 2004*) by supporting jobs for those in ACT community affected by the COVID-19 pandemic.

In accordance with the legislation, the Determination includes a statement about whether the scheme is consistent with human rights.

The ACT Human Rights Commission has been consulted on the Determination.

Authorised by the Treasurer
Andrew Barr MLA