

# Taxation Administration (Special Arrangements—Lodging of Returns) Approval 2023

Disallowable instrument DI2023–245

made under the

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

## EXPLANATORY STATEMENT

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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.

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.

Under section 42 of the *Taxation Administration Act 1999*, the Commissioner for ACT Revenue (the Commissioner) has the authority to approve (by disallowable instrument) special arrangements for making returns and paying tax, for a specified class of taxpayers.

### Approval

This Disallowable Instrument commences on the day after it is notified.

This instrument enables the approval of special arrangements for a registered employer whose annual payroll tax liability is \$80,000 or less (increased from \$6,000). 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).

Increasing the threshold value to \$80,000 will allow a greater number of registered employers to reduce their administrative burden by lodging their payroll tax returns annually, rather than monthly.

An application by a registered employer to the Commissioner to vary the lodgement period must be in writing (addressed to the Commissioner) and specify the grounds on which the variation is sought.

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 \$80,000, the approval to lodge annual instead of monthly returns may be revoked.

## **Revocation**

This instrument revokes the *Taxation Administration (Special Arrangements – Lodging of Returns) Determination 2014 (No 1)*, DI2014-245.