

Australian Capital Territory

Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2026

Disallowable instrument DI2026–151

made under the

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

EXPLANATORY STATEMENT

This instrument is the *Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2026*. This instrument commences on 1 July 2026 and revokes *Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2025*, DI2025-161.

Under section 139 of the *Taxation Administration Act 1999*, the Minister has the authority to determine, by disallowable instrument, the amounts and rates applicable under the *Payroll Tax Act 2011*.

Payroll tax is collected monthly, but it is an annual tax based on Australia-wide wages paid or payable by an employer, or the employer's group, during the whole or part of a financial year.

This instrument determines the threshold for the registration and payment of payroll tax and the rate for calculation under the *Payroll Tax Act 2011* on and from 1 July 2026.

Updates

From 1 July 2026 the payroll tax surcharge, that applied for larger employers, has been incorporated into the general rate.

The instrument reduces the tax-free threshold to \$1.75 million (from \$2 million) and sets new wage brackets and rates for the calculation of payroll tax from 1 July 2026.

The annual and monthly general rate for the calculation of payroll tax, set out in Table 1 and 2, apply as follows:

- 6.75 per cent on ACT taxable wages for an employer with total wages between \$1.75 million and \$20 million per annum or between \$145,833.33 and \$1,666.666.66 monthly;

- 6.85 per cent on ACT taxable wages for an employer with total wages between \$20 million and \$50 million per annum or between \$1,666,666.66 and \$4,166,666.66 monthly;
- 7.35 per cent on ACT taxable wages for an employer with total wages between \$50 million and \$100 million per annum or between \$4,166,666.66 and \$8,333,333.33 monthly;
- 7.85 per cent on ACT taxable wages for an employer with total wages between \$100 million and \$150 million per annum or between \$8,333,333.33 and \$12,500,000 monthly; and
- 8.75 per cent on ACT taxable wages for an employer with total wages above \$150 million per annum or \$12,500,000 monthly.

The annual and monthly general rate for universities with an ACT campus and as prescribed in section 4 of this instrument as an ‘eligible university’ is capped at 6.85 per cent. This means that eligible universities with total wages that fall within the lowest wage bracket will pay payroll tax at the rate of 6.75 per cent. Eligible universities with total wages above \$20 million per annum or more than \$1,666,666.6 monthly will pay payroll tax at the rate of 6.85 per cent, even if the total wages exceed \$150 million per annum.

This instrument commences on 1 July 2026.

Section 6 revokes *Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2025*, DI2025-161.