

# **PAY-ROLL TAX (AMENDMENT) ACT 1987 No. 230**

**NEW SOUTH WALES**



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**PAY-ROLL TAX (AMENDMENT) ACT 1987 No. 230**

NEW SOUTH WALES



**Act No. 230, 1987**

An Act to amend the Pay-roll Tax Act 1971 with respect to the liability of employers for pay-roll tax; to raise the pay-roll tax threshold; and for other purposes. [Assented to 16 December 1987]

*Pay-roll Tax (Amendment) 1987***The Legislature of New South Wales enacts:****Short title**

1. This Act may be cited as the Pay-roll Tax (Amendment) Act 1987.

**Commencement**

2. This Act shall commence on 1 January 1988.

**Amendment of Act No. 22, 1971**

3. The Pay-roll Tax Act 1971 is amended as set out in Schedules 1-4.

**Saving**

4. Without limiting the application of the Interpretation Act 1987, an amendment effected by section 3 and Schedules 1, 2, 3 or 4 does not, except where otherwise expressly provided, affect any duty, obligation, liability, benefit or right imposed, created, incurred or existing in respect of wages paid or payable before the date on which the amendment takes effect.

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**SCHEDULE 1—AMENDMENTS RELATING TO EMPLOYMENT AGENTS**

(Sec. 3)

**(1) Section 3 (Interpretation)—****(a) Section 3 (1), definition of “employer”—**

Omit “and a person who is an employment agent for the purposes of paragraph (f) of the definition of ‘wages’ in this subsection”.

**(b) Section 3 (1), definition of “wages”—**

- (i) At the end of paragraph (e), insert “and”.

- (ii) Omit paragraph (f).

**(c) Section 3 (4)—**

Omit the subsection.

**(2) Section 3A (Application of this Act to certain contracts)—****(a) Section 3A (2) (a) (i)—**

Omit the subparagraph.

**(b) Section 3A (3), (3A)—**

Omit the subsections.

*Pay-roll Tax (Amendment) 1987***SCHEDULE 2—AMENDMENTS RELATING TO LIABILITY TO TAXATION, REGISTRATION AND RETURNS**

(Sec. 3)

- (1) Section 9B (**Deduction from taxable wages after 1 January 1988**)—
- (a) Section 9B (1), definition of “prescribed amount”—  
Omit the definition, insert instead:  
“prescribed amount”, in relation to a return for a return period after the month of December 1987—
- (a) of 1 month, means \$33,334; and
- (b) of 2 or more months, means the product ascertained by multiplying \$33,334 by the number of months in that return period;
- (b) Section 9B (2)—  
Omit the subsection.
- (c) Section 9B (3), (4)—  
Omit “\$3 for each \$2” wherever occurring, insert instead “\$4 for each \$10”.
- (2) Section 11A (**Interpretation for purposes of sections 11A–11C**)—
- (a) Section 11A (1A)—  
Omit the subsection, insert instead:  
(1A) In sections 11B and 11C, “financial year” means the financial year commencing on 1 July 1987 or any subsequent financial year commencing on 1 July.
- (b) Section 11A (2), (2A)—  
Omit the subsections, insert instead:  
(2) For the purposes of the financial year commencing on 1 July 1987, a reference in section 11B or 11C to the “prescribed amount” is, in relation to an employer, a reference to the total of—
- (a) in relation to the return periods that end on or before 31 December 1987, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{150000A}{B} - \frac{3}{2} \left\{ (TW + IW) - \frac{150000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 150,000, 150,000); and

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**SCHEDULE 2—AMENDMENTS RELATING TO LIABILITY TO TAXATION, REGISTRATION AND RETURNS—*continued***

- (b) in relation to the return periods that end after 31 December 1987 and on or before 30 June 1988, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{200000A}{B} - \frac{4}{10} \left\{ (TW + IW) - \frac{200000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 200,000, 200,000),

where, in each of those formulas—

**TW** is the total of the taxable wages paid or payable by the employer during the return periods to which the formula applies;

**IW** is the total of the interstate wages paid or payable by the employer during the return periods to which the formula applies;

**A** is the total number of days in respect of which wages (disregarding foreign wages) were paid or payable by the employer during the return periods to which the formula applies; and

**B** is the total number of days in the return periods to which the formula applies.

(2A) For the purposes of the financial year commencing on 1 July 1988 and each subsequent financial year commencing on 1 July, a reference in section 11B or 11C to the “prescribed amount” is, in relation to an employer, a reference to the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{400000C}{D} - \frac{4}{10} \left\{ (TW + IW) - \frac{400000C}{D} \right\} \right]$$

where—

**TW** is the total of the taxable wages paid or payable by the employer during the financial year;

**IW** is the total of the interstate wages paid or payable by the employer during the financial year;

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SCHEDULE 2—AMENDMENTS RELATING TO LIABILITY TO  
TAXATION, REGISTRATION AND RETURNS—*continued*

C is the number of days in the financial year in respect of which wages (disregarding foreign wages) were paid or payable by the employer; and

D is the number of days in the financial year.

(3) Section 12 (**Registration**)—

Section 12 (1)—

Omit “\$5,769” wherever occurring, insert instead “\$7,693”.

(4) Section 16J—

Omit the section, insert instead:

**“Prescribed amount” for purposes of sections 16K and 16L**

16J. (1) In sections 16K and 16L, “financial year” means the financial year commencing on 1 July 1987 or any subsequent financial year commencing on 1 July.

(2) For the purposes of the financial year commencing on 1 July 1987, a reference in section 16K or 16L to the “prescribed amount” is, in relation to a designated group employer, a reference to the total of—

- (a) in relation to the return periods that end on or before 31 December 1987, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{150000A}{B} - \frac{3}{2} \left\{ (TW + IW) - \frac{150000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 150,000, 150,000); and

- (b) in relation to the return periods that end after 31 December 1987 and on or before 30 June 1988, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{200000A}{B} - \frac{3}{10} \left\{ (TW + IW) - \frac{200000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 200,000, 200,000),

where, in each of those formulas—

TW is the total of the taxable wages paid or payable by the members of the group in respect of which that designated group employer is the designated group employer, during the return periods to which the formula applies;

*Pay-roll Tax (Amendment) 1987*


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**SCHEDULE 2—AMENDMENTS RELATING TO LIABILITY TO TAXATION, REGISTRATION AND RETURNS—*continued***

**IW** is the total of the interstate wages paid or payable by the members of that group during the return periods to which the formula applies;

**A** is the total number of days in that part or those parts of the return periods to which the formula applies for which the designated group employer was the designated group employer in respect of that group, reduced by the number of days (if any) during that part or those parts in respect of which no wages (disregarding foreign wages) were paid or payable by any member of that group; and

**B** is the total number of days in the return periods to which the formula applies.

(3) For the purposes of the financial year commencing on 1 July 1988 and each subsequent financial year commencing on 1 July, a reference in section 16K or 16L to the “prescribed amount” is, in relation to a designated group employer, a reference to the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{400000C}{D} - \frac{4}{10} \left\{ (TW + IW) - \frac{400000C}{D} \right\} \right]$$

where—

**TW** is the total of the taxable wages paid or payable by the members of the group in respect of which that designated group employer is the designated group employer, during the financial year;

**IW** is the total of the interstate wages paid or payable by the members of that group during the financial year;

**C** is the number of days in that part of the financial year for which that designated group employer was the designated group employer in respect of that group, reduced by the number of days (if any) during that part in respect of which no wages (disregarding foreign wages) were paid or payable by any member of that group; and

**D** is the number of days in the financial year.

*Pay-roll Tax (Amendment) 1987***SCHEDULE 3—AMENDMENTS RELATING TO SUPPLEMENTARY  
PAY-ROLL TAX**

(Sec. 3)

**Schedule 1 (Supplementary pay-roll tax)—****(1) Clause 1 (Interpretation)—**

Clause 1 (1), definition of “financial year”—

Omit the definition, insert instead:

“financial year” means the financial year commencing on 1 July 1987 or any subsequent financial year commencing on 1 July;

**(2) Clause 2 (Returns)—****(a) Clause 2 (1)—**

Omit “\$83,334”, insert instead “\$116,667”.

**(b) Clause 2 (2)—**

Omit the subclause, insert instead:

(2) Where the wages (disregarding foreign wages) paid or payable by an employer or the total of the wages (disregarding foreign wages) paid or payable by the members of a group, as the case may be, are or is—

(a) \$500,000 or more during the period commencing on 1 July 1987 and ending on 31 December 1987;

(b) \$700,000 or more during the period commencing on 1 January 1988 and ending on 30 June 1988; or

(c) \$1,400,000 or more during the financial year commencing on 1 July 1988 or any subsequent financial year commencing on 1 July,

the employer or each of the members of the group, as the case may be, shall—

(d) in the case of a period referred to in paragraph (a) or (b)—  
by 21 July 1988; and

(e) in the case of a financial year referred to in paragraph (c)—  
within 21 days after the end of the financial year,

furnish to the Chief Commissioner, in a form and manner approved by the Chief Commissioner, a supplementary return relating to the adjustment of pay-roll tax paid or payable in respect of the relevant financial year under this Schedule by the employer or member of the group.

**(3) Clause 3 (Tax payable by employer who is not a member of a group)—****(a) Clause 3 (1), definition of “prescribed amount”—**

Omit “\$834”, insert instead “\$1,167”.

**(b) Clause 3 (2)—**



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**SCHEDULE 3—AMENDMENTS RELATING TO SUPPLEMENTARY  
PAY-ROLL TAX—*continued***

Omit “\$83,334”, insert instead “\$116,667”.

(c) Clause 3 (3)—

Omit “reduced by \$1 for each \$10 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds \$83,334.”, insert instead:

reduced by—

(a) in respect of the financial year commencing on 1 July 1987—

(i) if the month ends on or before 31 December 1987—\$1 for each \$10 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds \$83,334; and

(ii) if the month ends after 31 December 1987 and on or before 30 June 1988—\$1 for each \$50 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds \$116,667; or

(b) in respect of the financial year commencing on 1 July 1988 and any subsequent financial year commencing on 1 July—\$1 for each \$50 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds \$116,667.

(d) Clause 3 (4)—

Omit “reduced by \$1 for each \$10 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds the same proportion of \$83,334.”, insert instead:

reduced by—

(a) in respect of the financial year commencing on 1 July 1987—

(i) if the month ends on or before 31 December 1987—\$1 for each \$10 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds the same proportion of \$83,334; and

*Pay-roll Tax (Amendment) 1987*SCHEDULE 3—AMENDMENTS RELATING TO SUPPLEMENTARY  
PAY-ROLL TAX—*continued*

- (ii) if the month ends after 31 December 1987 and on or before 30 June 1988—\$1 for each \$50 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds the same proportion of \$116,667; or
- (b) in respect of the financial year commencing on 1 July 1988 and any subsequent financial year commencing on 1 July—\$1 for each \$50 (disregarding any remainder) by which the amount of the taxable wages (in whole dollars) paid or payable by that employer during that month exceeds the same proportion of \$116,667.
- (4) Clause 4 (**Interpretation for purposes of this clause and clauses 5 and 6**)—

Clause 4 (2), (2A)—

Omit clause 4 (2), insert instead:

(2) For the purposes of the financial year commencing on 1 July 1987, a reference in clause 5 or 6 to the “prescribed amount” is, in relation to an employer, a reference to the total of—

- (a) in relation to the return periods that end on or before 31 December 1987, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{5000A}{B} - \frac{1}{10} \left\{ (TW + IW) - \frac{500000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 5,000, 5,000); and

- (b) in relation to the return periods that end after 31 December 1987 and on or before 30 June 1988, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{7000A}{B} - \frac{1}{50} \left\{ (TW + IW) - \frac{700000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 7,000, 7,000),

where, in each of those formulas—

TW is the total of the taxable wages paid or payable by the employer during the return periods to which the formula applies;

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**SCHEDULE 3—AMENDMENTS RELATING TO SUPPLEMENTARY  
PAY-ROLL TAX—continued**

**IW** is the total of the interstate wages paid or payable by the employer during the return periods to which the formula applies;

**A** is the total number of days in respect of which wages (disregarding foreign wages) were paid or payable by the employer during the return periods to which the formula applies; and

**B** is the total number of days in the return periods to which the formula applies.

(2A) For the purposes of the financial year commencing on 1 July 1988 and each subsequent financial year commencing on 1 July, a reference in clause 5 or 6 to the “prescribed amount” is, in relation to an employer, a reference to the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{14000C}{D} - \frac{1}{50} \left\{ (TW + IW) - \frac{1400000C}{D} \right\} \right]$$

where—

**TW** is the total of the taxable wages paid or payable by the employer during the financial year;

**IW** is the total of the interstate wages paid or payable by the employer during the financial year;

**C** is the number of days in respect of which wages (disregarding foreign wages) were paid or payable by the employer during the financial year; and

**D** is the number of days in the financial year.

(5) **Clause 7 (Tax payable by members of groups)—**

(a) **Clause 7 (1)—**

Omit “\$83,334”, insert instead “\$116,667”.

(b) **Clause 7 (2), (5)—**

Omit “\$834” wherever occurring, insert instead “\$1,167”.

(6) **Clause 8—**

Omit the clause, insert instead:

**“Prescribed amount” for purposes of clauses 9 and 10**

8. (1) For the purposes of the financial year commencing on 1 July 1987, a reference in clause 9 or 10 to the “prescribed amount” is, in relation to a designated group employer, a reference to the total of—

*Pay-roll Tax (Amendment) 1987*


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 SCHEDULE 3—AMENDMENTS RELATING TO SUPPLEMENTARY  
 PAY-ROLL TAX—*continued*

- (a) in relation to the return periods that end on or before 31 December 1987, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{5000A}{B} - \frac{1}{10} \left\{ (TW + IW) - \frac{500000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 5,000, 5,000); and

- (b) in relation to the return periods that end after 31 December 1987 and on or before 30 June 1988, the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{7000A}{B} - \frac{1}{50} \left\{ (TW + IW) - \frac{700000A}{B} \right\} \right]$$

(but if the amount so calculated is less than nil, nil and if the amount so calculated is greater than 7,000, 7,000),

where, in each of those formulas—

**TW** is the total of the taxable wages paid or payable by the members of the group in respect of which that designated group employer is the designated group employer, during the return periods to which the formula applies;

**IW** is the total of the interstate wages paid or payable by the members of that group during the return periods to which the formula applies;

**A** is the number of days in that part or those parts of the return periods to which the formula applies for which that designated group employer was the designated group employer in respect of that group, reduced by the number of days (if any) during that part or those parts in respect of which no wages (disregarding foreign wages) were paid or payable by any member of that group; and

**B** is the total number of days in the return periods to which the formula applies.

*Pay-roll Tax (Amendment) 1987***SCHEDULE 3—AMENDMENTS RELATING TO SUPPLEMENTARY  
PAY-ROLL TAX—*continued***

(2) For the purposes of the financial year commencing on 1 July 1988 and each subsequent financial year commencing on 1 July, a reference in clause 9 or 10 to the “prescribed amount” is, in relation to a designated group employer, a reference to the amount calculated in accordance with the formula—

$$\frac{TW}{TW + IW} \left[ \frac{14000C}{D} - \frac{1}{50} \left\{ (TW + IW) - \frac{1400000C}{D} \right\} \right]$$

where—

**TW** is the total of the taxable wages paid or payable by the members of the group in respect of which that designated group employer is the designated group employer, during the financial year;

**IW** is the total of the interstate wages paid or payable by the members of that group during the financial year;

**C** is the number of days in that part of the financial year for which that designated group employer was the designated group employer in respect of that group, reduced by the number of days (if any) during that part in respect of which no wages (disregarding foreign wages) were paid or payable by any member of that group; and

**D** is the number of days in the financial year.

**SCHEDULE 4—AMENDMENTS RELATING TO FORMS**

(Sec. 3)

(1) Section 9B (**Deduction from taxable wages after 1 January 1988**)—

Section 9B (5)—

Omit “in the prescribed form containing the prescribed particulars”, insert instead “in a form approved by the Chief Commissioner”.

(2) Section 12 (**Registration**)—

Section 12 (1A), (2A)—

*Pay-roll Tax (Amendment) 1987*SCHEDULE 4—AMENDMENTS RELATING TO FORMS—*continued*

Omit “in the prescribed form and manner” wherever occurring, insert instead “in a form and manner approved by the Chief Commissioner”.

(3) Section 13 (**Returns**)—

Section 13 (1) (a)—

Omit “the form and in the manner prescribed”, insert instead “a form and in a manner approved by the Chief Commissioner”.

(4) Section 15 (**Further returns**)—

After “in the notice”, insert “and in a form and manner approved by the Chief Commissioner”.

(5) Section 16I (**Designated group employer**)—

Section 16I (1), (2) (b)—

Omit “in the prescribed form containing the prescribed particulars” wherever occurring, insert instead “in a form approved by the Chief Commissioner”.

(6) Section 18 (**Assessments**)—

Section 18 (2) (a)—

Omit “or the regulations”.

(7) Schedule 1 (**Supplementary pay-roll tax**)—(a) Clause 2 (**Returns**)—

Clause 2 (1)—

Omit “the form and in the manner prescribed”, insert instead “a form and in a manner approved by the Chief Commissioner”.

(b) Clause 3 (**Tax payable by employer who is not a member of a group**)—

Clause 3 (5)—

Omit “in the prescribed form containing the prescribed particulars”, insert instead “in a form approved by the Chief Commissioner”.

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**SCHEDULE 4—AMENDMENTS RELATING TO FORMS—*continued***

**(c) Clause 7 (Tax payable by members of groups)—**

**Clause 7 (2), (3) (b)—**

Omit “in the prescribed form containing the prescribed particulars” wherever occurring, insert instead “in a form approved by the Chief Commissioner”.