**Legislative Council**

**STATE TAXATION AND MENTAL HEALTH ACTS AMENDMENT BILL 2021**

(Suggested amendments to be proposed in Committee by Mr RICH-PHILLIPS)

1. **Suggested amendment to the Legislative Assembly—**
Clause 2, line 2, after "and 4" insert "and 5".
2. **Suggested amendment to the Legislative Assembly—**
Clause 2, after line 7 insert—

 "(4) Division 5 of Part 6 comes into operation on 1 July 2023.".

1. **Suggested amendment to the Legislative Assembly—**
Page 60, after line 26 insert the following heading—

"Division 5—Payroll tax threshold increase and rate reductions".

1. **Suggested amendment to the Legislative Assembly—**
Insert the following New Clauses to follow clause 69—

 '69A Registration

For section 86(6)(d) of the **Payroll Tax Act 2007 substitute**—

 "(d) for the financial years commencing on 1 July 2021 and 1 July 2022—$13 461 per week;

 (e) for the financial year commencing on 1 July 2023 and each subsequent financial year—$30 769 per week.".

 69B Definition of *TA* or *threshold amount*

In clause 1 of Schedule 1 to the **Payroll Tax Act 2007**—

 (a) for paragraphs (h) of the definition of ***R* substitute**—

 "(h) for the financial years commencing on 1 July 2021 and 1 July 2022—

 (i) 1⋅2125% in the case of a regional employer; and

 (ii) 4⋅85% in any other case;

 (i) for the financial year commencing on 1 July 2023 and each subsequent financial year—

 (i) in the case of a regional employer, the rate specified in clause 1C; and

 (ii) in any other case, the rate specified in clause 1D;";

 (b) for paragraph (e) of the definition of ***TA*** or ***threshold amount* substitute**—

 "(e) for the financial years commencing on 1 July 2021 and 1 July 2022—$700 000;

 (f) for the financial year commencing on 1 July 2023 and each subsequent financial year—$1 600 000;";

 (c) **insert** the following definition—

"***TFT*** or ***tax free threshold*** means the amount calculated in accordance with clause 1B.".

 69C New clauses 1B, 1C and 1D of Schedule 1 inserted

After clause 1A of Schedule 1 to the **Payroll Tax Act 2007 insert**—

 "**1B Tax free threshold**

The tax free threshold for an employer or group of employers in a financial year is the amount calculated in accordance with the following formula—

 **1C Determination of payroll tax rate for regional employers**

 (1) For the purposes of subparagraph (i)(i) of the definition of ***R***, the rate ofpayroll tax payable by a regional employer is the rate calculated in accordance with the following formula—

 where **Rmax** is 1.2125%.

 (2) In this clause, **TW**——

 (a) in the case of an employer who is not a member of a group, has the same meaning as in clause 3; and

 (b) in the case of an employer who is a member of a group, has the same meaning as in clause 7.

 **1D Determination of payroll tax rate for employers that are not regional employers**

 (1) For the purposes of subparagraph (i)(ii) of the definition of ***R***, the rate ofpayroll tax payable by an employer that is not a regional employer is the rate determined in accordance with the following formula—

 where **Rmax** is 4.85%.

 (2) In this clause, **TW**——

 (a) in the case of an employer who is not a member of a group, has the same meaning as in clause 3; and

 (b) in the case of an employer who is a member of a group, has the same meaning as in clause 7.".

 69D Definition of base deductible amount

In clause 1A of Schedule 2 to the **Payroll Tax Act 2007**—

 (a) for paragraph (d) of the definition of ***base deductible amount* substitute**—

 "(d) for a month in the financial years commencing on 1 July 2021 and 1 July 2022—$58 333;

 (e) for a month in the financial year commencing on 1 July 2023 and each subsequent financial year—$133 333;";

 (b) in the definition of ***R***, for "clause 2." **substitute** "clause 2;";

 (c) **insert** the following definition—

"***TFT*** or ***tax free threshold*** means the amount calculated in accordance with clause 2A.".

 69E Rate of payroll tax

For paragraph (h) of clause 2 of Schedule 2 to the **Payroll Tax Act 2007** **substitute**—

 "(h) for wages paid or payable on or after 1 July 2021 and before 1 July 2023—

 (i) 1⋅2125% in the case of a regional employer; and

 (ii) 4⋅85% in any other case;

 (i) for wages paid or payable on or after 1 July 2023—

 (i) in the case of a regional employer, the rate specified in clause 2B; and

 (ii) in any other case, the rate specified in clause 2C*.*".

 69F New clauses 2A, 2B and 2C of Schedule 2 inserted

After clause 2 of Schedule 2 to the **Payroll Tax Act 2007 insert**—

 "**2A Tax free threshold**

The tax free threshold for an employer or group of employers in a financial year is the amount calculated in accordance with the following formula—

where—

**C** is the estimated number of days in the relevant financial year in respect of which the employer or group of employers is liable to pay taxable wages or interstate wages;

**FY** is the number of days in the relevant financial year.

 **2B Determination of payroll tax rate for regional employers**

For the purposes of subparagraph (i)(i) of the definition of ***R***, the rate ofpayroll tax payable by a regional employer is the rate calculated in accordance with the following formula—

 where **Rmax** is 1.2125%.

 **2C Determination of payroll tax rate for employers that are not regional employers**

For the purposes of subparagraph (i)(ii) of the definition of ***R***, the rate ofpayroll tax payable by an employer that is not a regional employer is the rate calculated in accordance with the following formula—

 where **Rmax** is 4.85%.".'.