

Pay-roll Tax Amendment (Apprentices Concession and Rate Reduction) Bill 1999

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

The following Bills are cognate with this Bill:

Appropriation (1998–99 Budget Variations) Bill 1999

General Government Debt Elimination Amendment Bill 1999

Public Finance and Audit Amendment Bill 1999

State Revenue Legislation Amendment Bill 1999

Overview of Bill

The objects of this Bill are:

- (a) to exempt certain wages of apprentices from pay-roll tax, and
- (b) to reduce the rate of pay-roll tax.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on 1 July 1999.

Clause 3 is a formal provision giving effect to the amendments to the *Pay-roll Tax Act 1971* set out in Schedule 1.

Schedule 1 Amendments

Schedule 1 [1] inserts proposed section 10A into the *Pay-roll Tax Act 1971*. The proposed section grants proportionate exemptions from pay-roll tax for the wages of apprentices according to the year of their apprenticeship. The exemptions are:

- (a) in the case of a first year apprentice—75% of the apprentice's wages, and
- (b) in the case of a second year apprentice—50% of the apprentice's wages, and
- (c) in the case of a third year apprentice—25% of the apprentice's wages.

Schedule 1 [2] reduces the pay-roll tax rate from 6.7% to 6.4%.

Both amendments apply to wages paid or payable for services performed or rendered on or after 1 July 1999.