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New South Wales

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.

Explanatory note

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.

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New South Wales

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

No. , 1999

A Bill for

An Act to amend the *Pay-roll Tax Act 1971* to exempt certain wages of apprentices from pay-roll tax and to reduce the rate of pay-roll tax.

See also *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*.

The Legislature of New South Wales enacts:

1 Name of Act

This Act is the *Pay-roll Tax Amendment (Apprentices Concession
and Rate Reduction) Act 1999*.

2 Commencement

This Act commences on 1 July 1999.

3 Amendment of Pay-roll Tax Act 1971 No 22

The *Pay-roll Tax Act 1971* is amended as set out in Schedule 1.

Schedule 1 Amendments

(Section 3)

	1
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[1] Section 10A	4
Insert after section 10:	5
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10A Exemptions from pay-roll tax of wages of apprentices	7
(1) In this section, <i>apprentice</i> has the same meaning as in the <i>Industrial and Commercial Training Act 1989</i> .	8
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(2) The wages liable to pay-roll tax under this Act do not include:	10
(a) in the case of a first year apprentice (being a person who is recognised by the Department of Education and Training as a first year apprentice under the <i>Industrial and Commercial Training Act 1989</i>)—75% of the wages paid or payable to the apprentice, or	11
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(b) in the case of a second year apprentice (being a person who is recognised by the Department of Education and Training as a second year apprentice under the <i>Industrial and Commercial Training Act 1989</i>)—50% of the wages paid or payable to the apprentice, or	16
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(c) in the case of a third year apprentice (being a person who is recognised by the Department of Education and Training as a third year apprentice under the <i>Industrial and Commercial Training Act 1989</i>)—25% of the wages paid or payable to the apprentice.	21
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(3) Nothing in this section affects section 10 (1) (m).	26
(4) This section has effect in respect of wages paid or payable for services performed or rendered on or after 1 July 1999.	27
	28
[2] Schedule 2 Calculation of pay-roll tax liability from 1 July 1996	29
Omit “6.7” from clause 13 (1) (b). Insert instead “6.4”.	30
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