



New South Wales

Revenue Legislation Amendment Bill 2024

Explanatory note

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

This Bill is cognate with the *Appropriation Bill 2024*.

Overview of Bill

The objects of this Bill are to—

- (a) increase, from 8% to 9%, the surcharge purchaser duty and surcharges on acquisitions payable by foreign persons, and
- (b) enable the Treasurer to make transfers between statutory funds, and
- (c) increase, from 4% to 5%, the rate of surcharge land tax, and
- (d) freeze the tax threshold and premium rate threshold for land tax for years after 2024, and
- (e) provide for an exemption for past payroll tax that remains unpaid if it relates to certain general practitioners, and
- (f) provide for a rebate of payroll tax for employers for the wages of general practitioners who work in a medical centre if the majority of general practitioner services provided through the medical centre are bulk billed.

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.

Schedule 1 Amendment of Duties Act 1997 No 123

Schedule 1[1] increases the surcharge purchaser duty payable and surcharges on acquisitions payable by foreign persons from 8% to 9%. **Schedule 1[2]** contains transitional provisions, which provide that the increase applies to transactions, allotments, issues and acquisitions that occur on or after the commencement of the proposed Act, except in certain circumstances.

Schedule 2 Amendment of Government Sector Finance Act 2018 No 55

Schedule 2 provides for the definition of *relevant fund* and authorises the Treasurer to make transfers between relevant funds if the Treasurer is satisfied that the transfer promotes the objects of the *Government Sector Finance Act 2018*.

Schedule 3 Amendment of Land Tax Act 1956 No 27

Schedule 3[1]–[3] amend the definitions of *premium rate threshold* and *tax threshold* to refer to the correct provisions of the *Land Tax Management Act 1956*.

Schedule 3[5] provides that, for the taxable value of all residential land owned by a foreign person, the surcharge land tax is to be calculated at the rate of 5% at midnight on 31 December from 2024 onwards. **Schedule 3[4]** makes a consequential amendment.

Schedule 4 Amendment of Land Tax Management Act 1956 No 26

Schedule 4[3] provides that the tax threshold for a land tax year after the 2023 land tax year is \$1,075,000. **Schedule 4[5]** provides that the premium rate threshold for a land tax year after the 2023 land tax year is \$6,571,000. **Schedule 4[1], [2] and [4]** make consequential amendments.

Schedule 4[6] requires the Treasurer to review the tax threshold and the premium rate threshold by 1 June 2027 to determine whether the thresholds continue to be appropriate. A report on the outcome of the review must be tabled in each House of Parliament.

Schedule 5 Amendment of Payroll Tax Act 2007 No 21

Schedule 5[1] inserts proposed Division 2A in the *Payroll Tax Act 2007*, Schedule 2. Proposed clause 10A inserts definitions for certain terms used in the proposed division. Proposed clause 10B provides that wages are *relevant general practitioner wages* if the wages are paid to a general practitioner at a medical centre that bulk bills for most of the general practitioner services provided by the medical centre. The proportion of general practitioner services that must be provided under the bulk billing arrangements at the medical centre is at least 80% for medical centres in Metropolitan Sydney and at least 70% for medical centres located elsewhere.

Relevant general practitioner wages and wages paid to certain other general practitioners at medical centres are exempt from payroll tax if the payroll tax is unpaid and the wages are paid or payable before 4 September 2024. An employer is entitled to a rebate of payroll tax payable for relevant general practitioner wages paid or payable on or after 4 September 2024.

Schedule 5[2] inserts a transitional provision to determine the relevant proportion of general practitioner services that must be provided under bulk billing arrangements when the proposed division applies only for part of a financial year. It also provides that the *Subordinate Legislation Act 1989*, Part 2 does not apply to a regulation made under the *Payroll Tax Act 2007* if the regulation is made after the date of assent to the proposed Act and before 4 September 2024. This is to enable a regulation to be made before 4 September 2024 to define what is meant by Metropolitan Sydney for the purposes of the proposed division.

Schedule 6 Amendment of Taxation Administration Act 1996 No 97

Schedule 6 makes an amendment consequential on the amendments proposed to be made by Schedule 5 to ensure alignment of dates.



New South Wales

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This PUBLIC BILL, originated in the LEGISLATIVE ASSEMBLY and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

Legislative Assembly

Clerk of the Legislative Assembly



New South Wales

Revenue Legislation Amendment Bill 2024

No. , 2024

A Bill for

An Act to make miscellaneous amendments to certain revenue legislation; and for other purposes.

The LEGISLATIVE COUNCIL has this day agreed to this Bill with/without amendment.

Legislative Council

Clerk of the Parliaments

Tabling copy

The Legislature of New South Wales enacts—	1
1 Name of Act	2
This Act is the <i>Revenue Legislation Amendment Act 2024</i> .	3
2 Commencement	4
This Act commences, or is taken to have commenced, as follows—	5
(a) for Schedule 1—on 1 January 2025,	6
(b) for Schedule 3[1]–[3]—on 27 September 2023,	7
(c) otherwise—on the date of assent to this Act.	8

Schedule 1 Amendment of Duties Act 1997 No 123

[1] Sections 104U(1), 137AD(1) and 157H(1)

Omit “8%” wherever occurring. Insert instead “9%”.

[2] Schedule 1 Savings, transitional and other provisions

Insert at the end of the schedule, with appropriate part and clause numbering—

Part Provisions consequent on enactment of Revenue Legislation Amendment Act 2024

Definitions

In this part—

amending Act means the *Revenue Legislation Amendment Act 2024*.

as amended means as amended by the amending Act.

Rate of surcharge purchaser duty and other surcharge duty

- (1) Section 104U(1), as amended, applies to a surcharge duty transaction that occurs on or after the commencement of the amendment, except as otherwise provided by this clause.
- (2) Section 104U(1), as in force immediately before its amendment by the amending Act, continues to apply to the following—
 - (a) surcharge purchaser duty chargeable on the transfer of residential-related property made in conformity with an agreement for sale or transfer of the residential-related property entered into before the commencement of the amendment,
 - (b) surcharge purchaser duty chargeable on a surcharge duty transaction that results from the exercise of an option for the sale or purchase of residential-related property if the option was granted before 18 June 2024.
- (3) Despite subclause (2)(b), section 104U(1), as amended, applies to the following surcharge duty transactions occurring on or after the commencement of the amendment—
 - (a) a transaction that is taken by section 9B, as applied by section 104O, to be the transfer of an option,
 - (b) a transaction that results from the exercise of an option that is taken by section 9B, as applied by section 104O, to have been transferred.
- (4) Section 104U(1), as amended, applies in respect of a call option assignment, within the meaning of Chapter 3, Part 2 made on or after the commencement of the amendment.
- (5) Section 104U(1), as amended, applies in respect of an agreement of sale or transfer of a share or shares in residential-related property to a foreign person entered into before the commencement of the amendment, if—
 - (a) the share or shares are actually transferred after the commencement of the amendment, and
 - (b) the share or shares actually transferred are more than the share or shares agreed to be sold or transferred.
- (6) If subclause (5) applies, the Chief Commissioner must—

- (a) reassess the agreement by calculating the surcharge purchaser duty chargeable for the share or shares in the residential-related property actually transferred to foreign persons, and 1
 - (b) charge any excess surcharge purchaser duty payable in excess of the surcharge purchaser duty already paid in relation to the agreement. 2 3
- (7) Section 137AD(1), as amended, applies in respect of an allotment of shares or an issue of units made on or after the commencement of the amendment. 4
- (8) Section 157H(1), as amended, applies in respect of a relevant acquisition, within the meaning of Chapter 4, occurring on or after the commencement of the amendment. 5

Schedule 2	Amendment of Government Sector Finance Act 2018 No 55	1
		2
Section 10.3B		3
Insert after section 10.3A—		4
10.3B Transfers between funds		5
(1)	The Treasurer may make transfers between relevant funds if the Treasurer is satisfied the transfer promotes the objects of this Act.	6
		7
(2)	This section has effect despite a provision of this Act or another Act or law placing limitations on payments into or out of a relevant fund.	8
		9
(3)	This section does not apply to the NSW Generations (Debt Retirement) Fund established under the <i>NSW Generations Funds Act 2018</i> .	10
		11
(4)	In this section—	12
	relevant fund means an SDA account or statutory special purpose fund if assets of the account or fund are invested directly or indirectly in the NSW Master Fund (ABN 36 785 574 626).	13
		14
		15

Schedule 3	Amendment of Land Tax Act 1956 No 27	1
[1] Section 2A Definitions		2
	Omit “section 62TBC of the Principal Act” from the definition of <i>premium rate threshold</i> .	3
	Insert instead “the Principal Act, Part 7, Division 4”.	4
[2] Section 2A, definition of “tax threshold”, paragraph (a)		5
	Insert “, as in force immediately before the repeal of the section” after “Principal Act”.	6
[3] Section 2A, definition of “tax threshold”, paragraph (b)		7
	Omit “section 62TBA of the Principal Act”.	8
	Insert instead “the Principal Act, Part 7, Division 4”.	9
[4] Section 5A Levy of surcharge land tax on residential land owned by foreign persons—2017 and subsequent land tax years		10
	Omit “in any other year, commencing with 2022” from section 5A(2)(c).	11
	Insert instead “in the years 2022 and 2023”.	12
[5] Section 5A(2)(d)		13
	Insert at the end of section 5A(2)(c)—	14
	, and	15
	(d) in the case of all residential land owned by the foreign person at	16
	midnight on 31 December in any other year, commencing with 2024—	17
	5% of that taxable value as assessed under the Principal Act.	18
		19

Schedule 4	Amendment of Land Tax Management Act 1956	1
	No 26	2
[1] Sections 62O, 62Q, 62R and 62U		3
Omit the sections.		4
[2] Section 62P, heading		5
Omit “for 2006–2023”.		6
[3] Section 62P(s)		7
Insert after section 62P(r)—		8
(s) for a land tax year after the 2023 land tax year—\$1,075,000.		9
[4] Section 62S, heading		10
Omit “for 2009–2023”.		11
[5] Section 62S(p)		12
Insert after section 62S(o)—		13
(p) for a land tax year after the 2023 land tax year—\$6,571,000.		14
[6] Section 62T		15
Omit the section. Insert instead—		16
62T Review of thresholds		17
(1) The Treasurer must review the tax threshold and the premium rate threshold to determine whether the thresholds continue to be appropriate in the circumstances.		18 19 20
(2) The review must be undertaken by 1 June 2027.		21
(3) A report on the outcome of the review must be tabled in each House of Parliament as soon as practicable after 1 June 2027.		22 23

Schedule 5 Amendment of Payroll Tax Act 2007 No 21

[1] Schedule 2 NSW specific provisions

Insert after Part 3, Division 2—

Division 2A General practitioners in medical centres

10A Definitions

In this division—

bulk billing arrangement, for general practitioner services, means an arrangement where—

- (a) the person responsible for paying for the services assigns the person's right to a Medicare benefit for the service to the general practitioner who provided the service, and
- (b) the general practitioner accepts the Medicare benefit as full payment for the service.

general practitioner means a medical practitioner who is registered under the *Health Practitioner Regulation National Law (NSW)* in the specialty of general practice.

general practitioner services means professional services provided by a general practitioner.

medical centre means premises, other than a private health facility, used to provide general practitioner services at the premises or remotely—

- (a) by telephone, or
- (b) using other technology that enables audio, or audio and visual, communication between persons at different places.

Metropolitan Sydney has the meaning given by the regulations.

practice arrangement has the same meaning as in the *Health Practitioner Regulation National Law (NSW)*.

private health facility has the same meaning as in the *Private Health Facilities Act 2007*.

professional services means a professional service specified in the *Health Insurance Act 1973* of the Commonwealth, section 3, definition of **professional service**, paragraph (a).

relevant contract has the same meaning as in this Act, Part 3, Division 7.

relevant general practitioner wages—see clause 10B(1).

10B Relevant general practitioner wages

- (1) Wages are **relevant general practitioner wages** if—

- (a) the wages are paid or payable to a general practitioner—
 - (i) under a relevant contract, and
 - (ii) for the provision of general practitioner services through a medical centre, and
- (b) the relevant contract is part of a practice arrangement, and
- (c) a relevant proportion of all the general practitioner services provided by general practitioners through the medical centre in the relevant financial year are provided under a bulk billing arrangement.

(2)	The relevant proportion of general practitioner services that must be provided under a bulk billing arrangement is—	1
		2
(a)	for a medical centre in Metropolitan Sydney—at least 80%, or	3
(b)	otherwise—at least 70%.	4
10C	Rebate for relevant general practitioner wages	5
(1)	An employer is entitled to a rebate of payroll tax paid or payable for relevant general practitioner wages if the wages are paid or payable on or after 4 September 2024.	6
		7
		8
(2)	The amount of the rebate for a financial year for an employer is the difference between—	9
		10
(a)	the payroll tax payable for the financial year by the employer when the relevant general practitioner wages are included, and	11
		12
(b)	the payroll tax that would be payable for the financial year by the employer if the relevant general practitioner wages were not included.	13
		14
(3)	The rebate may be given to the employer—	15
(a)	as a refund, or	16
(b)	as an offset against other payroll tax liabilities.	17
(4)	Regulations may be made about rebates under this clause, including—	18
(a)	specifying the time at which a rebate must be given, and	19
(b)	the circumstances in which a rebate will be given as a refund or as an offset.	20
		21
10D	Certain general practitioner wages exempt	22
(1)	Relevant general practitioner wages paid or payable before 4 September 2024 are exempt unless payroll tax has been paid on the wages before that day.	23
		24
(2)	In this clause—	25
	relevant general practitioner wages includes wages that would be relevant general practitioner wages if clause 10B(1)(c) did not apply.	26
		27
[2]	Schedule 3 Savings, transitional and other provisions	28
	Insert at the end of the schedule, with appropriate part and clause numbering—	29
Part	Provisions consequent on enactment of Revenue Legislation Amendment Act 2024	30
		31
	Relevant general practitioner wages	32
	If Schedule 2, clause 10B applies only for part of a financial year, the reference to financial year in clause 10B(1)(c) is taken to be a reference to the part of the financial year.	33
		34
		35
	Regulations	36
	The <i>Subordinate Legislation Act 1989</i> , Part 2 does not apply to a regulation made under this Act if the regulation is made after the date of assent to the <i>Revenue Legislation Amendment Act 2024</i> and before 4 September 2024.	37
		38
		39

Schedule 6	Amendment of Taxation Administration Act 1996	1
	No 97	2
	Section 61A Exceptions for general practitioners during relevant period	3
	Omit section 61A(5), definition of <i>relevant period</i> . Insert instead—	4
	<i>relevant period</i> means the period—	5
	(a) starting at the beginning of 4 September 2023, and	6
	(b) ending at the beginning of 4 September 2024.	7