



New South Wales

# State Revenue Legislation Amendment (Budget Measures) Bill 2016

## Explanatory note

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

This Bill is cognate with the *Appropriation Bill 2016*.

## Overview of Bill

The object of this Bill is to implement certain revenue-related measures in the 2016–17 State budget. The Bill:

- (a) amends the *Duties Act 1997* to impose a surcharge duty of 4% in relation to the acquisition of interests in residential land by foreign persons and to remove the off the plan duty concession in the case of foreign persons, and
- (b) amends the *Land Tax Act 1956* to impose surcharge land tax of 0.75% on residential land owned by foreign persons, and
- (c) amends the *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011* to increase the payroll tax rebate for new jobs from \$3,000 to \$4,000 for the second year of employment and to restrict the rebate applying to those new jobs to employers who have 50 or fewer full time equivalent employees.

The Bill defines a **foreign person** to have the same meaning as in the *Foreign Acquisitions and Takeovers Act 1975* of the Commonwealth (which generally includes an individual not ordinarily resident in Australia, a corporation in which such an individual has a substantial interest, a trustee of a trust in which such an individual holds a substantial interest or a foreign government). The definition is modified to ensure that Australian citizens are not foreign persons (wherever they reside) and that New Zealand citizens holding special category visas are not foreign persons if they have been in Australia for at least 200 days in the previous 12 months.

## 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 amendments made by the proposed Act to the *Duties Act 1997* on 21 June 2016 (the date of the introduction of the proposed Act into the Legislative Assembly), and for the commencement of the remainder of the proposed Act on the date of assent to the proposed Act.

**Clause 3** makes it clear that the explanatory notes contained in the Schedules do not form part of the proposed Act.

**Schedules 1–3** make the amendments outlined in the Overview. The amendments are explained in more detail in the explanatory notes set out in the Schedules.