



New South Wales

Treasury Legislation Amendment (COVID-19) Bill 2020

Explanatory note

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

Overview of Bill

The object of this Bill is to amend the *Long Service Leave Act 1955* and *Payroll Tax Act 2007* as a result of the COVID-19 pandemic.

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 Acts

Long Service Leave Act 1955 No 38

Currently an employer may, with the agreement of a worker, give the worker a period of long service leave before the worker becomes entitled to the long service leave. However, this must be a period of at least 1 month. **Schedule 1.1** permits this period to be less than one month. It also permits an employer, with the agreement of the worker, to give less than one month's notice of when long service leave is to be given and taken.

Payroll Tax Act 2007 No 21

Schedule 1.2[1] provides that an employer is only required to pay 75% of the payroll tax on wages for the financial year commencing on 1 July 2019 if all Australian wages paid or payable are \$10,000,000 or less. An employer who is part of a group is not eligible for the discount unless the

Chief Commissioner has been provided with certain information regarding other employers in the group and the amount of taxable wages and interstate wages paid or payable by those employers. **Schedule 1.2[2]** increases the threshold amount for payroll tax liability for the financial year commencing on 1 July 2020 and subsequent financial years to \$1,000,000.



New South Wales

Treasury Legislation Amendment (COVID-19) Bill 2020

Contents

		Page
	1 Name of Act	2
	2 Commencement	2
Schedule 1	Amendment of Acts	3



New South Wales

Treasury Legislation Amendment (COVID-19) Bill 2020

No. , 2020

A Bill for

An Act to amend the *Long Service Leave Act 1955* and *Payroll Tax Act 2007* as a result of the COVID-19 pandemic.

The Legislature of New South Wales enacts—

1

1 Name of Act

2

This Act is the *Treasury Legislation Amendment (COVID-19) Act 2020*.

3

2 Commencement

4

This Act commences on the date of assent to this Act.

5

Schedule 1	Amendment of Acts	1
1.1	Long Service Leave Act 1955 No 38	2
	Section 15A	3
	Insert after section 15—	4
15A	COVID-19 pandemic—special provisions	5
(1)	This section has effect for the prescribed period and prevails to the extent of any inconsistency with any other provision of this Act.	6 7
(2)	An employer may, under section 4(3A), give a worker a period of long service leave that is less than one month if the worker agrees to that lesser period of leave.	8 9 10
(3)	An employer may, under section 4(10), give a worker less than one month’s notice if the worker agrees to that lesser period of notice.	11 12
(4)	In this section—	13
	<i>prescribed period</i> means the period—	14
(a)	starting on the commencement of this section, and	15
(b)	ending on—	16
(i)	the day that is 6 months after the commencement, or	17
(ii)	the later day, not more than 12 months after the commencement, prescribed by the regulations.	18 19
1.2	Payroll Tax Act 2007 No 21	20
[1]	Section 99A	21
	Insert after section 99—	22
99A	Temporary reduction for businesses with annual wages of \$10 million or less	23
(1)	An employer who is liable to pay payroll tax on wages paid or payable for the financial year commencing on 1 July 2019 is only required to pay 75% of that payroll tax if all Australian wages paid or payable by the employer are \$10,000,000 or less.	24 25 26 27
(2)	An employer who is part of a group is not eligible for the reduction referred to in subsection (1) unless the employer provides the Chief Commissioner with the following information—	28 29 30
(a)	information about all other employers who are part of the group,	31
(b)	the amount of taxable wages and interstate wages paid or payable by each of those employers for the financial year commencing on 1 July 2019.	32 33 34
(3)	For the avoidance of doubt, an employer does not cease to be eligible for the reduction referred to in subsection (1) merely because the employer ceased paying wages before the commencement of this section.	35 36 37

(4)	In this section—	1
	<i>all Australian wages paid or payable</i> by an employer means the sum of the following—	2
		3
	(a) all taxable wages paid or payable by the employer,	4
	(b) all interstate wages paid or payable by the employer,	5
	(c) all taxable wages and interstate wages paid or payable by all members of the group that the employer is part of.	6
		7
[2]	Schedule 1 Calculation of payroll tax liability for financial year commencing 1 July 2007 and subsequent financial years	8
		9
	Omit paragraphs (f) and (g) from the definition of <i>TA</i> or <i>threshold amount</i> in clause 1.	10
	Insert instead—	11
	(f) for the financial year commencing on 1 July 2020 and subsequent financial years—\$1,000,000.	12
		13