



New South Wales

# Payroll Tax Amendment (Jobs Plus) Bill 2021

## 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 *Payroll Tax Act 2007*—

- (a) to exempt employers from liability to pay payroll tax on wages that are the subject of Jobs Plus agreements, and
- (b) to extend an exemption under the Act in relation to the Aged Care Workforce Retention Grant Opportunity program of the Commonwealth.

## 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 Payroll Tax Act 2007 No 21

**Schedule 1[2]** enables the Minister for Jobs, Investment, Tourism and Western Sydney, or a delegate of the Minister, to enter into an agreement on behalf of the State (a *Jobs Plus agreement*) with an employer and to give effect to it. The employer is exempt from paying payroll tax on wages that are the subject of the Jobs Plus agreement. However, if the Minister or Minister's delegate issues the employer a written notice revoking the exemption, the employer will be liable to pay payroll tax on the wages retrospectively. In that case, the Chief Commissioner of State Revenue must reassess the employer's liability to pay payroll tax and the employer cannot object to the reassessment on the basis of the revocation of the exemption. The provision also allows for disclosure of information in relation to Jobs Plus agreements.

**Schedule 1[1]** extends an exemption from payroll tax enacted in response to the COVID-19 pandemic. The amendment removes a limitation on the exemption so that wages funded by the Aged Care Workforce Retention Grant Opportunity program of the Commonwealth that are paid or payable on or after 1 January 2021 continue to be exempt from payroll tax.

**Schedule 1[3]** further provides for the application of the amendments made by the proposed Act.



New South Wales

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New South Wales

# Payroll Tax Amendment (Jobs Plus) Bill 2021

No. \_\_\_\_\_, 2021

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## **A Bill for**

An Act to amend the *Payroll Tax Act 2007* to exempt employers from liability to pay payroll tax on wages that are the subject of Jobs Plus agreements, and to extend an exemption in relation to the Aged Care Workforce Retention Grant Opportunity program of the Commonwealth.

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**The Legislature of New South Wales enacts—**

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**1 Name of Act**

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This Act is the *Payroll Tax Amendment (Jobs Plus) Act 2021*.

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**2 Commencement**

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(1) This Act commences on the date of assent to this Act, except as provided by subsection (2).

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(2) Schedule 1[2] commences on 1 July 2021.

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## Schedule 1 Amendment of Payroll Tax Act 2007 No 21

**[1] Section 66E Wages funded by Commonwealth Aged Care Workforce Retention Grant Opportunity**

Omit “(but before 1 January 2021)” from section 66E(1).

**[2] Section 66F**

Insert after section 66E—

**66F Exemption for employers under Jobs Plus agreements**

- (1) The relevant Minister is authorised on behalf of the State—
  - (a) to enter into an agreement with an employer that is expressed to be for the purposes of this section (a *Jobs Plus agreement*), and
  - (b) to give effect to the agreement.
- (2) Without limiting the matters that may be specified by a Jobs Plus agreement, the agreement must specify—
  - (a) the kinds of wages that are exempt wages under this section, and
  - (b) the grounds on which, or the circumstances in which, the relevant Minister may revoke an exemption under this section.
- (3) Subject to this section, wages are exempt wages if—
  - (a) they are paid or payable by an employer who enters into a Jobs Plus agreement, and
  - (b) they are wages of a kind that is specified by the agreement to be exempt wages under this section.
- (4) The relevant Minister may, by written notice issued to an employer who enters into a Jobs Plus agreement, revoke the exemption under this section on the grounds, or in the circumstances, specified by the agreement.
- (5) The effect of the revocation is as follows—
  - (a) the wages referred to in subsection (3) are taken never to have been exempt wages under this section,
  - (b) the employer is liable to pay payroll tax on the wages even if the relevant Minister revokes the exemption under this section after the employer relies on the exemption as the reason for not paying payroll tax on the wages,
  - (c) the Chief Commissioner must assess or reassess the employer’s liability to pay payroll tax on the wages accordingly.
- (6) For the purposes of the *Taxation Administration Act 1996*, section 9(3)(c), the Chief Commissioner is authorised to make a reassessment under this section until 1 July 2033.
- (7) An employer who enters into a Jobs Plus agreement cannot lodge an objection with the Chief Commissioner under the *Taxation Administration Act 1996*, Part 10, Division 1 to an assessment or reassessment under this section on the grounds that the relevant Minister has revoked an exemption under this section.
- (8) Without limiting the *Taxation Administration Act 1996*, section 82(b)(i), a Jobs Plus administrator may disclose to another Jobs Plus administrator information in relation to a Jobs Plus agreement, including personal

information within the meaning of the <i>Privacy and Personal Information Protection Act 1998</i> and confidential information—	1
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(a) to assist a Jobs Plus administrator to exercise a function under this section, including to assist the relevant Minister to give effect to the agreement, or	3
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(b) in connection with the administration of a taxation law.	6
(9) The relevant Minister may delegate a function of the relevant Minister under this section to another Jobs Plus administrator, subject to the following—	7
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(a) the relevant Minister cannot delegate a function to a tax officer,	9
(b) the relevant Minister cannot delegate this power of delegation.	10
(10) The State, or a Jobs Plus administrator, does not incur civil liability in connection with the exercise of a function under this section.	11
	12
(11) In this section—	13
<i>give effect to</i> a Jobs Plus agreement includes—	14
(a) comply with an obligation of the State under the agreement, and	15
(b) exercise or enforce a right or power under the agreement.	16
<i>Jobs Plus administrator</i> means each of the following—	17
(a) the relevant Minister,	18
(b) a tax officer,	19
(c) a person employed in the Department of Premier and Cabinet,	20
(d) a person employed in Investment NSW.	21
<i>relevant Minister</i> means the Minister for Jobs, Investment, Tourism and Western Sydney.	22
	23
<i>taxation law</i> and <i>tax officer</i> have the same meanings as in the <i>Taxation Administration Act 1996</i> .	24
	25
<b>[3] Schedule 3 Savings, transitional and other provisions</b>	26
Insert at the end of the Schedule, with appropriate Part and clause numbering—	27
<b>Part Provision consequent on enactment of Payroll Tax Amendment (Jobs Plus) Act 2021</b>	28
	29
<b>Application of amendments</b>	30
(1) The amendment of section 66E by the amending Act is taken to have had effect from the beginning of 1 January 2021.	31
	32
(2) An agreement with an employer that is entered into by the Minister for Jobs, Investment, Tourism and Western Sydney, or by a delegate of the Minister, and that is expressed to be for the purposes of section 66F of this Act is taken, for all purposes, to be a Jobs Plus agreement under section 66F, as inserted by the amending Act, even if the agreement was entered into before the commencement of that section on 1 July 2021.	33
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(3) In this clause—

***amending Act*** means the *Payroll Tax Amendment (Jobs Plus) Act 2021*.

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