



New South Wales

Payroll Tax Amendment (Payroll Tax Waiver) 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* to provide for a 50% payroll tax waiver for the 2021–2022 financial year for an employer if—

- (a) wages paid or payable by the employer are \$10,000,000 or less, and
- (b) the employer has qualified for the 2021 COVID-19 JobSaver Payment scheme or the 2021 COVID-19 Business Grant scheme administered by Service NSW or met the 30% or greater decline in turnover test set out in the schemes, whether or not the employer has applied for a payment or grant, or met other eligibility criteria for a payment or grant, under the schemes.

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 the date of assent to the proposed Act.

Schedule 1 Amendment of Payroll Tax Act 2007 No 21

Schedule 1 gives effect to the object of the proposed Act by inserting proposed section 99B into the *Payroll Tax Act 2007* and making a consequential amendment.



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New South Wales

Payroll Tax Amendment (Payroll Tax Waiver) Bill 2021

No. _____, 2021

A Bill for

An Act to amend the *Payroll Tax Act 2007* to provide for a waiver of payroll tax of 50% for certain employers.

The Legislature of New South Wales enacts—

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1 Name of Act

2

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

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2 Commencement

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

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Schedule 1 Amendment of Payroll Tax Act 2007 No 21

[1] Section 99A, heading

Insert “for financial year 2019–2020” after “less”.

[2] Section 99B

Insert after section 99A—

99B Temporary reduction for businesses with annual wages of \$10 million or less for financial year 2021–2022

- (1) An employer who is liable to pay payroll tax on wages paid or payable for the financial year commencing on 1 July 2021 is only required to pay 50% of that payroll tax if—
 - (a) all Australian wages paid or payable by the employer are \$10,000,000 or less, and
 - (b) the employer—
 - (i) qualified for the 2021 COVID-19 JobSaver Payment scheme or the 2021 COVID-19 Business Grant scheme administered by Service NSW, or
 - (ii) met the 30% or greater decline in turnover eligibility test for either of the schemes, whether or not the employer has applied for a payment or grant, or met other eligibility criteria for a payment or grant, under the schemes.
- (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—
 - (a) information about all other employers who are part of the group,
 - (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 2021.
- (3) To avoid 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.
- (4) The Chief Executive Officer of Service NSW is entitled to disclose, and the Chief Commissioner is entitled to receive, and to use in relation to the administration of a taxation law, information contained in, or relating to, an employer’s application for a 2021 COVID-19 JobSaver Payment or a 2021 COVID-19 Business Grant.

- (5) In this section— 1
- all Australian wages paid or payable* by an employer means the sum of the 2
following— 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 6
of the group that the employer is part of. 7