

First print



New South Wales

State Revenue Legislation Amendment (Howard and Costello) Bill 1996

Explanatory note

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

Overview of Bill

The objects of this Bill are:

- (a) to increase the rates of land tax and stamp duty for motor vehicle certificates of registration for a limited period, and
- (b) to treat employer superannuation contributions as wages for the purpose of assessing pay-roll tax but to reduce the rate of pay-roll tax in two stages.

The period referred to in paragraph (a) will conclude at the end of 1998, unless this is altered by proclamation. The period can be shortened or extended, depending on whether the following three conditions are satisfied:

- the Commonwealth has ended the requirement for special revenue assistance payments by States and Territories, and
-

Explanatory note

- the funding formula (as agreed at the Premier's Conference on 14 June 1996) for financial assistance grants is operative, and
- arrangements (as agreed at the meeting of the Council of Australian Governments on 11 April 1995) with respect to national competition payments are operative.

The second of the stages referred to in paragraph (b) will be the end of 1998, unless this is extended by proclamation for 12 months, depending on whether those three conditions are satisfied.

Outline of provisions

Clause 1 specifies 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, except for the amendments to the *Stamp Duties Act 1920*. Some provisions being inserted by the Bill contain operative dates.

Clauses 3-5 are formal provisions giving effect to the Schedules of amendments.

Schedule 1 Amendment of Land Tax Act 1956

Proposed section 3AF increases the rate of land tax from 1.5% to 1.65% with effect from the 1997 land tax year. Proposed section 3AG re-instates the existing rate at the end of 1998 or another proclaimed year.

Schedule 2 Amendment of Pay-roll Tax Act 1971

The Schedule includes employer superannuation contributions within the definition of *wages* for the purposes of the Act, and reduces the level of pay-roll tax from 7% to 6.85% with effect from 1 July 1996. The rate will be further reduced to 6.7% with effect from 1 January 1999 or (if a proclamation so provides) 1 January 2000.

Schedule 3 Amendment of Stamp Duties Act 1920

Part 1 of the Schedule increases the rate of stamp duty for motor vehicle certificates of registration from 2.5% to 3% with effect from 1 July 1996. Part 2 of the Schedule re-instates the existing rate on 1 January 1999 or another proclaimed date.

First print



New South Wales

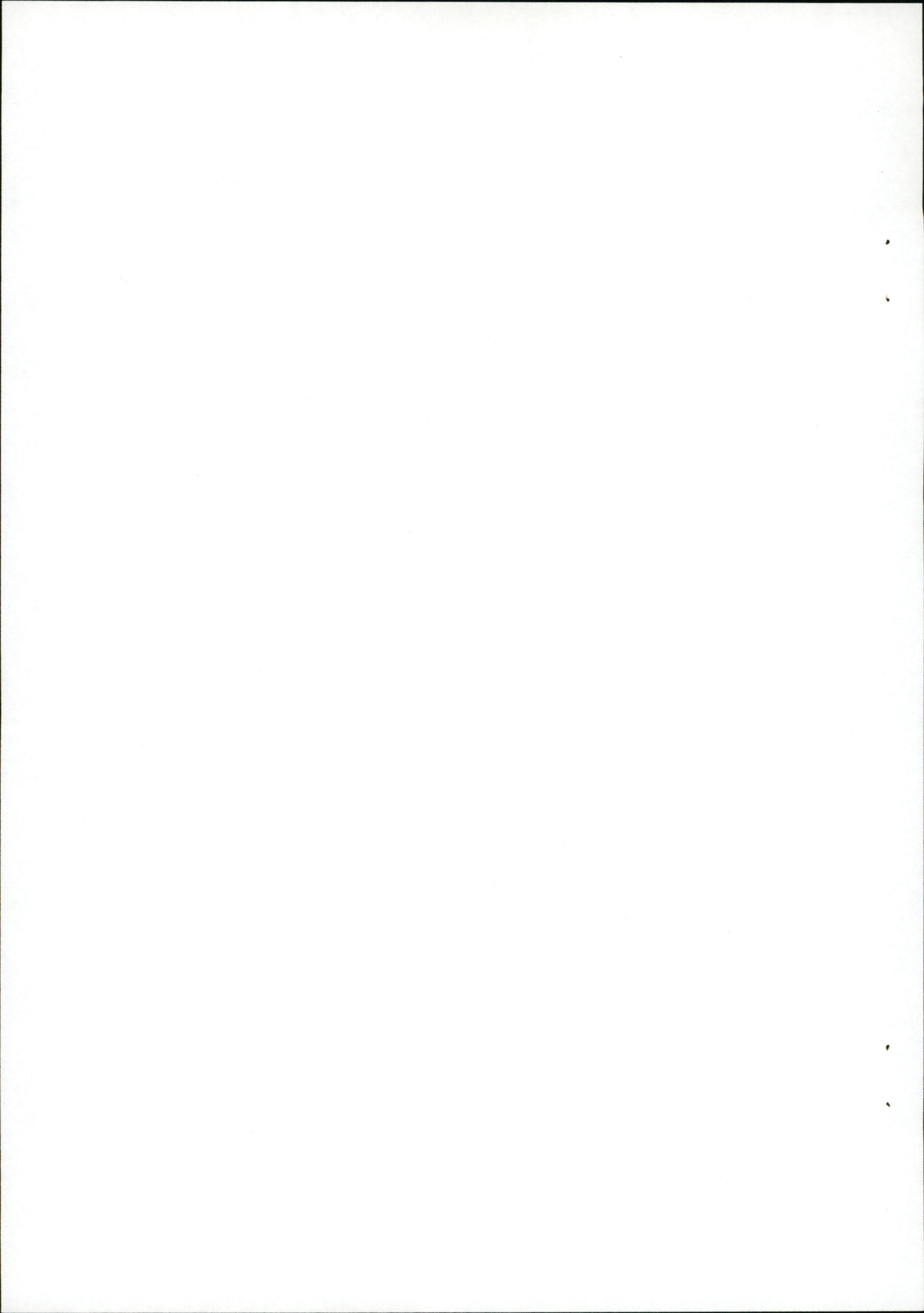
State Revenue Legislation Amendment (Howard and Costello) Bill 1996

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New South Wales

State Revenue Legislation Amendment (Howard and Costello) Bill 1996

No. , 1996

A Bill for

An Act to amend the *Land Tax Act 1956* and the *Stamp Duties Act 1920* to increase for a limited period the rates at which land tax and motor vehicle stamp duty are payable, and to amend the *Pay-roll Tax Act 1971* to extend the basis on which pay-roll tax is assessed and to reduce the rate of pay-roll tax.

The Legislature of New South Wales enacts:**1 Name of Act**

This Act is the *State Revenue Legislation Amendment (Howard and Costello) Act 1996*.

2 Commencement

5

- (1) This Act commences on the date of assent, except as provided by this section.
- (2) Part 1 of Schedule 3 commences or is taken to have commenced on 1 July 1996.
- (3) Subject to subsections (4) and (5), Part 2 of Schedule 3 commences on 1 January 1999, or another day to be appointed by proclamation (but not earlier than the date of publication of the proclamation). 10
- (4) Subsection (3) may be suspended from time to time by proclamation (but only if Part 2 of Schedule 3 has not already commenced). Such a suspension may be revoked by proclamation. 15
- (5) A proclamation appointing another day can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all of the conditions set out in subsection (7) will be satisfied as at that day. 20
- (6) A proclamation suspending subsection (3) can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all the conditions set out in subsection (7) will not be satisfied as at any relevant time. 25
- (7) The conditions are as follows:
 - (a) the Commonwealth has ended the requirement for special revenue assistance payments by States and Territories, and
 - (b) the funding formula (as agreed at the Premier's Conference on 14 June 1996) for financial assistance grants is operative, and 30
 - (c) arrangements (as agreed at the meeting of the Council of Australian Governments on 11 April 1995) with respect to national competition payments are operative.

3 Amendment of Land Tax Act 1956 No 27

The *Land Tax Act 1956* is amended as set out in Schedule 1.

4 Amendment of Pay-roll Tax Act 1971 No 22

The *Pay-roll Tax Act 1971* is amended as set out in Schedule 2.

5 Amendment of Stamp Duties Act 1920 No 47

5

The *Stamp Duties Act 1920* is amended as set out in Schedule 3.

Schedule 1 Amendment of Land Tax Act 1956

(Section 3)

[1] Section 3AE Levy of land tax after 31 December 1989

Insert "and ending with 1995" after "1989" in section 3AE (1).

[2] Sections 3AF and 3AG

5

Insert after section 3AE:

3AF Levy of land tax after 31 December 1996

(1) Except as provided by subsection (2), in respect of the taxable value of all the land owned by any person at midnight on 31 December in any year (commencing with 1996 and ending with the year preceding the relevant year referred to in section 3AG) there is to be charged, levied, collected and paid under the provisions of the Principal Act and in the manner prescribed under that Act, land tax for the period of 12 months commencing on 1 January in the next succeeding year and at the rates set out in Schedule 7. 10 15

(2) In respect of the taxable value of all the land owned by a person at midnight on 31 December in any year (commencing with 1996) where: 20

(a) the owner is a company classified under section 29 of the Principal Act as a non-concessional company, or

(b) the land is subject to a special trust,

land tax for the period of 12 months commencing on 1 January in the next succeeding year is, except as provided by section 27 (2A) of the Principal Act, to be charged, levied, collected and paid as referred to in subsection (1) at the rate of 1.65 cents for each \$1 of the taxable value. 25 30

-
- (3) If the total amount of land tax payable pursuant to this section by any person in any year would, but for this subsection, be less than \$100, no land tax is payable.
- (4) If on the assessment of land tax an amount is arrived at expressed in dollars and a number of cents which is not a multiple of 10, the number of cents is, if less than 10, to be disregarded or, if more than 10, to be reduced to the multiple of 10 next below. 5

3AG Levy of land tax after 31 December 1998 (or a proclaimed year) 10

- (1) Except as provided by subsection (2), in respect of the taxable value of all the land owned by any person at midnight on 31 December in any year (commencing with the relevant year) there is to be charged, levied, collected and paid under the provisions of the Principal Act and in the manner prescribed under that Act, land tax for the period of 12 months commencing on 1 January in the next succeeding year and at the rates set out in Schedule 8. 15
- (2) In respect of the taxable value of all the land owned by a person at midnight on 31 December in any year (commencing with the relevant year) where: 20
- (a) the owner is a company classified under section 29 of the Principal Act as a non-concessional company, or 25
- (b) the land is subject to a special trust,
- land tax for the period of 12 months commencing on 1 January in the next succeeding year is, except as provided by section 27 (2A) of the Principal Act, to be charged, levied, collected and paid as referred to in subsection (1) at the rate of 1.5 cents for each \$1 of the taxable value. 30
- (3) If the total amount of land tax payable pursuant to this section by any person in any year would, but for this subsection, be less than \$100, no land tax is payable. 35

- (4) If on the assessment of land tax an amount is arrived at expressed in dollars and a number of cents which is not a multiple of 10, the number of cents is, if less than 10, to be disregarded or, if more than 10, to be reduced to the multiple of 10 next below. 5
- (5) Subject to subsections (6) and (7), *relevant year* in this section means 1998 or another year to be appointed instead by proclamation for the purposes of this section.
- (6) Subsection (5) may be suspended from time to time by proclamation (but only if subsection (1) has not already operated). Such a suspension may be revoked by proclamation. 10
- (7) A proclamation appointing another year can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all of the conditions set out in subsection (9) will be satisfied as at 1 January of the following year. 15
- (8) A proclamation suspending subsection (5) can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all of the conditions set out in subsection (9) will not be satisfied as at any relevant time. 20
- (9) The conditions are as follows:
- (a) the Commonwealth has ended the requirement for special revenue assistance payments by States and Territories, and 25
- (b) the funding formula (as agreed at the Premier's Conference on 14 June 1996) for financial assistance grants is operative, and
- (c) arrangements (as agreed at the meeting of the Council of Australian Governments on 11 April 1995) with respect to national competition payments are operative. 30

[3] Schedules 7 and 8

Insert after Schedule 6:

Schedule 7

(Section 3AF)

Where the taxable value assessed under the Principal Act	Rates of Land Tax Payable	5
is less than \$160,000	nil	
is not less than \$160,000	\$100 plus 1.65c for each \$1 in excess of \$160,000	

Schedule 8

(Section 3AG)

Where the taxable value assessed under the Principal Act	Rates of Land Tax Payable	10
is less than \$160,000	nil	
is not less than \$160,000	\$100 plus 1.5c for each \$1 in excess of \$160,000	15

Schedule 2 Amendment of Pay-roll Tax Act 1971

(Section 4)

[1] Section 3 Definitions

Insert in section 3 (1) in alphabetical order:

- superannuation benefit* means: 5
- (a) a payment of money by an employer on behalf of an employee to, or the setting apart of money by an employer on behalf of an employee as, a superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* of the Commonwealth, or 10
 - (b) a payment by an employer of a superannuation guarantee charge within the meaning of the *Superannuation Guarantee (Administration) Act 1992* of the Commonwealth, or 15
 - (c) a payment of money by an employer on behalf of an employee to, or the setting apart of money by an employer on behalf of an employee as, any other form of superannuation, provident or retirement fund or scheme, or 20
 - (d) in respect of an unfunded or partly unfunded superannuation, provident or retirement fund or scheme (being a fund or scheme under which the employer is not required to, or does not, pay or set aside money in respect of a superannuation, provident or retirement fund or scheme during the period of the employee's employment), a payment of money that: 25
 - (i) is paid or payable by an employer as, or as a contribution to, a pension, lump sum or other benefit paid or payable as a result of the retirement of an employee (or the cessation of the employment of an 30

employee for any other reason) to the employee (or ex-employee) or a dependent of the employee (or ex-employee) in respect of services rendered by the employee after 30 June 1996, and

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- (ii) is not liable to pay-roll tax by virtue of paragraph (a), (b) or (c).

[2] Section 3AA Wages

Omit section 3AA (4).

[3] Section 3AA (6A)

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Insert after section 3AA (6):

(6A) Wages includes a superannuation benefit.

[4] Section 3A Application of this Act to certain contracts

Insert after section 3A (2) (d):

, and

15

- (e) an amount paid or payable for or in relation to the performance of work under a relevant contract is taken to include any payment made by a person who is taken to be an employer under a relevant contract in relation to a person who is taken to be an employee under the relevant contract that would be a superannuation benefit if made in relation to a person in the capacity of an employee.

20

[5] Schedule 2 Calculation of pay-roll tax liability from 1 July 1996

25

Omit "7" wherever occurring in the formulae in clauses 4, 8 and 12. Insert instead "R".

[6] Schedule 2, clause 2

Insert in alphabetical order:

R means:

- (a) for the financial years commencing on 1 July 1996 and 1 July 1997—6.85, and 5
- (b) for the financial year commencing on 1 July 1998—6.775, and
- (c) for a subsequent financial year—6.7.

[7] Schedule 2, clause 6

Insert in alphabetical order: 10

R means:

- (a) for the financial years commencing on 1 July 1996 and 1 July 1997—6.85, and
- (b) for the financial year commencing on 1 July 1998—6.775, and 15
- (c) for a subsequent financial year—6.7.

[8] Schedule 2, clause 10

Insert in alphabetical order:

R means:

- (a) for the financial years commencing on 1 July 1996 and 1 July 1997—6.85, and 20
- (b) for the financial year commencing on 1 July 1998—6.775, and
- (c) for a subsequent financial year—6.7.

[9] Schedule 2, Part 4

Insert after Part 3:

Part 4 Payment of pay-roll tax for year commencing on 1 July 1998 or, if proclaimed, the year commencing on 1 January 1999 5

13 Rates of payment

- (1) The pay-roll tax rate at which pay-roll tax is to be calculated and paid for the months of July–December 1998 is 6.85% instead of 6.775%. 10
- (2) The pay-roll tax rate at which pay-roll tax is to be calculated and paid for the months of January–June 1999 is 6.7% instead of 6.775%.

14 Postponement of reduction in rate of pay-roll tax

- (1) If, before 1 January 1999, the Treasurer certifies to the Governor that the Treasurer is of the opinion that all the conditions set out in subclause (2) will not be satisfied as at 1 January 1999, the Governor may, by proclamation made and published in the Gazette on or before that date, postpone the reduction in the pay-roll tax rate that would otherwise have occurred in accordance with this Schedule on that date for 12 months. 15 20
- (2) The conditions are as follows:
- (a) the Commonwealth has ended the requirement for special revenue assistance payments by States and Territories, and 25
- (b) the funding formula (as agreed at the Premier's Conference on 14 June 1996) for financial assistance grants is operative, and
- (c) arrangements (as agreed at the meeting of the Council of Australian Governments on 11 April 1995) with respect to national competition payments are operative. 30

- (3) If a proclamation is made and published in accordance with this clause:
- (a) the definition of *R* in clauses 2, 6 and 10 is to be construed as follows:
- R* means:** 5
- (a) for the financial years commencing on 1 July 1996, 1 July 1997 and 1 July 1998—6.85, and
- (b) for the financial year commencing on 1 July 1999—6.775, and 10
- (c) for a subsequent financial year—6.7.
- (b) the reference in clause 13 (1) to 1998 is taken to be a reference to 1999, and
- (c) the reference in clause 13 (2) to 1999 is taken to be a reference to 2000. 15

[10] Schedule 6 Savings, transitional and other provisions

Insert at the end of clause 1 (1):

State Revenue Legislation Amendment (Howard and Costello) Act 1996

Schedule 3 Amendment of Stamp Duties Act 1920

(Section 5)

Part 1 Amendment commencing 1 July 1996

[1] Second Schedule Stamp Duties and Exemptions

Omit "2.50" from the matter relating to Motor Vehicle Certificate of Registration.

5

Insert instead "3.00".

**Part 2 Amendment commencing 1 January 1999
(or a proclaimed date)**

[2] Second Schedule Stamp Duties and Exemptions

10

Omit "3.00" from the matter relating to Motor Vehicle Certificate of Registration.

Insert instead "2.50".

Second print



New South Wales

State Revenue Legislation Amendment (Howard and Costello) Bill 1996

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Schedules

1 Amendment of Land Tax Act 1956	4
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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.

*Clerk of the Legislative Assembly.
Legislative Assembly*



New South Wales

State Revenue Legislation Amendment (Howard and Costello) Bill 1996

Act No , 1996

An Act to amend the *Land Tax Act 1956* and the *Stamp Duties Act 1920* to increase for a limited period the rates at which land tax and motor vehicle stamp duty are payable, and to amend the *Pay-roll Tax Act 1971* to extend the basis on which pay-roll tax is assessed and to reduce the rate of pay-roll tax.

The Legislature of New South Wales enacts:**1 Name of Act**

This Act is the *State Revenue Legislation Amendment (Howard and Costello) Act 1996*.

2 Commencement

5

- (1) This Act commences on the date of assent, except as provided by this section.
- (2) Part 1 of Schedule 3 commences or is taken to have commenced on 1 July 1996.
- (3) Subject to subsections (4) and (5), Part 2 of Schedule 3 commences on 1 January 1999, or another day to be appointed by proclamation (but not earlier than the date of publication of the proclamation). 10
- (4) Subsection (3) may be suspended from time to time by proclamation (but only if Part 2 of Schedule 3 has not already commenced). Such a suspension may be revoked by proclamation. 15
- (5) A proclamation appointing another day can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all of the conditions set out in subsection (7) will be satisfied as at that day. 20
- (6) A proclamation suspending subsection (3) can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all the conditions set out in subsection (7) will not be satisfied as at any relevant time. 25
- (7) The conditions are as follows:
 - (a) the Commonwealth has ended the requirement for special revenue assistance payments by States and Territories, and
 - (b) the funding formula (as agreed at the Premier's Conference on 14 June 1996) for financial assistance grants is operative, and 30
 - (c) arrangements (as agreed at the meeting of the Council of Australian Governments on 11 April 1995) with respect to national competition payments are operative.

3 Amendment of Land Tax Act 1956 No 27

The *Land Tax Act 1956* is amended as set out in Schedule 1.

4 Amendment of Pay-roll Tax Act 1971 No 22

The *Pay-roll Tax Act 1971* is amended as set out in Schedule 2.

5 Amendment of Stamp Duties Act 1920 No 47

5

The *Stamp Duties Act 1920* is amended as set out in Schedule 3.

Schedule 1 Amendment of Land Tax Act 1956

(Section 3)

[1] Section 3AE Levy of land tax after 31 December 1989

Insert "and ending with 1995" after "1989" in section 3AE (1).

[2] Sections 3AF and 3AG

5

Insert after section 3AE:

3AF Levy of land tax after 31 December 1996

- (1) Except as provided by subsection (2), in respect of the taxable value of all the land owned by any person at midnight on 31 December in any year (commencing with 1996 and ending with the year preceding the relevant year referred to in section 3AG) there is to be charged, levied, collected and paid under the provisions of the Principal Act and in the manner prescribed under that Act, land tax for the period of 12 months commencing on 1 January in the next succeeding year and at the rates set out in Schedule 7. 10 15
- (2) In respect of the taxable value of all the land owned by a person at midnight on 31 December in any year (commencing with 1996) where: 20
- (a) the owner is a company classified under section 29 of the Principal Act as a non-concessional company, or
- (b) the land is subject to a special trust,
- land tax for the period of 12 months commencing on 1 January in the next succeeding year is, except as provided by section 27 (2A) of the Principal Act, to be charged, levied, collected and paid as referred to in subsection (1) at the rate of 1.65 cents for each \$1 of the taxable value. 25 30

-
- (3) If the total amount of land tax payable pursuant to this section by any person in any year would, but for this subsection, be less than \$100, no land tax is payable.
- (4) If on the assessment of land tax an amount is arrived at expressed in dollars and a number of cents which is not a multiple of 10, the number of cents is, if less than 10, to be disregarded or, if more than 10, to be reduced to the multiple of 10 next below. 5

3AG Levy of land tax after 31 December 1998 (or a proclaimed year) 10

- (1) Except as provided by subsection (2), in respect of the taxable value of all the land owned by any person at midnight on 31 December in any year (commencing with the relevant year) there is to be charged, levied, collected and paid under the provisions of the Principal Act and in the manner prescribed under that Act, land tax for the period of 12 months commencing on 1 January in the next succeeding year and at the rates set out in Schedule 8. 15
- (2) In respect of the taxable value of all the land owned by a person at midnight on 31 December in any year (commencing with the relevant year) where: 20
- (a) the owner is a company classified under section 29 of the Principal Act as a non-concessional company, or 25
- (b) the land is subject to a special trust,
- land tax for the period of 12 months commencing on 1 January in the next succeeding year is, except as provided by section 27 (2A) of the Principal Act, to be charged, levied, collected and paid as referred to in subsection (1) at the rate of 1.5 cents for each \$1 of the taxable value. 30
- (3) If the total amount of land tax payable pursuant to this section by any person in any year would, but for this subsection, be less than \$100, no land tax is payable. 35

- (4) If on the assessment of land tax an amount is arrived at expressed in dollars and a number of cents which is not a multiple of 10, the number of cents is, if less than 10, to be disregarded or, if more than 10, to be reduced to the multiple of 10 next below. 5
- (5) Subject to subsections (6) and (7), *relevant year* in this section means 1998 or another year to be appointed instead by proclamation for the purposes of this section.
- (6) Subsection (5) may be suspended from time to time by proclamation (but only if subsection (1) has not already operated). Such a suspension may be revoked by proclamation. 10
- (7) A proclamation appointing another year can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all of the conditions set out in subsection (9) will be satisfied as at 1 January of the following year. 15
- (8) A proclamation suspending subsection (5) can only be made if the Treasurer certifies to the Governor that the Treasurer is of the opinion that all of the conditions set out in subsection (9) will not be satisfied as at any relevant time. 20
- (9) The conditions are as follows:
- (a) the Commonwealth has ended the requirement for special revenue assistance payments by States and Territories, and 25
- (b) the funding formula (as agreed at the Premier's Conference on 14 June 1996) for financial assistance grants is operative, and
- (c) arrangements (as agreed at the meeting of the Council of Australian Governments on 11 April 1995) with respect to national competition payments are operative. 30

[3] Schedules 7 and 8

Insert after Schedule 6:

Schedule 7

(Section 3AF)

Where the taxable value assessed under the Principal Act	Rates of Land Tax Payable	5
is less than \$160,000	nil	
is not less than \$160,000	\$100 plus 1.65c for each \$1 in excess of \$160,000	

Schedule 8

(Section 3AG)

Where the taxable value assessed under the Principal Act	Rates of Land Tax Payable	10
is less than \$160,000	nil	
is not less than \$160,000	\$100 plus 1.5c for each \$1 in excess of \$160,000	15

Schedule 2 Amendment of Pay-roll Tax Act 1971

(Section 4)

[1] Section 3 Definitions

Insert in section 3 (1) in alphabetical order:

- superannuation benefit* means: 5
- (a) a payment of money by an employer for the benefit of an employee to, or the setting apart of money by an employer for the benefit of an employee as, a superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* of the Commonwealth, or 10
 - (b) a payment by an employer of a superannuation guarantee charge within the meaning of the *Superannuation Guarantee (Administration) Act 1992* of the Commonwealth, or 15
 - (c) a payment of money by an employer for the benefit of an employee to, or the setting apart of money by an employer for the benefit of an employee as, any other form of superannuation, provident or retirement fund or scheme, or 20
 - (d) in respect of an unfunded or partly unfunded superannuation, provident or retirement fund or scheme (being a fund or scheme under which the employer is not required to, or does not, pay or set aside money in respect of a superannuation, provident or retirement fund or scheme during the period of the employee's employment), a payment of money that: 25
 - (i) is paid or payable by an employer as, or as a contribution to, a pension, lump sum or other benefit paid or payable as a result of the retirement of an employee (or the cessation of the employment of an 30

-
- employee for any other reason) to the employee (or ex-employee) or a dependent of the employee (or ex-employee) in respect of services rendered by the employee after 30 June 1996, and 5
- (ii) is not liable to pay-roll tax by virtue of paragraph (a), (b) or (c).
- [2] Section 3AA Wages**
- Omit section 3AA (4).
- [3] Section 3AA (6A)** 10
- Insert after section 3AA (6):
- (6A) Wages includes a superannuation benefit.
- [4] Section 3A Application of this Act to certain contracts**
- Insert after section 3A (2) (d):
- , and 15
- (e) an amount paid or payable for or in relation to the performance of work under a relevant contract is taken to include any payment made by a person who is taken to be an employer under a relevant contract in relation to a person who is taken to be an employee under the relevant contract that would be a superannuation benefit if made in relation to a person in the capacity of an employee. 20
- [5] Schedule 2 Calculation of pay-roll tax liability from 1 July 1996** 25
- Omit "7" wherever occurring in the formulae in clauses 4, 8 and 12. Insert instead "R".

[6] Schedule 2, clause 2

Insert in alphabetical order:

R means:

- (a) for the financial years commencing on 1 July 1996 and 1 July 1997—6.85, and 5
- (b) for the financial year commencing on 1 July 1998—6.775, and
- (c) for a subsequent financial year—6.7.

[7] Schedule 2, clause 6

Insert in alphabetical order: 10

R means:

- (a) for the financial years commencing on 1 July 1996 and 1 July 1997—6.85, and
- (b) for the financial year commencing on 1 July 1998—6.775, and 15
- (c) for a subsequent financial year—6.7.

[8] Schedule 2, clause 10

Insert in alphabetical order:

R means:

- (a) for the financial years commencing on 1 July 1996 and 1 July 1997—6.85, and 20
- (b) for the financial year commencing on 1 July 1998—6.775, and
- (c) for a subsequent financial year—6.7.

[9] Schedule 2, Part 4

Insert after Part 3:

Part 4 Payment of pay-roll tax for year commencing on 1 July 1998 or, if proclaimed, the year commencing on 1 January 1999 5

13 Rates of payment

- (1) The pay-roll tax rate at which pay-roll tax is to be calculated and paid for the months of July–December 1998 is 6.85% instead of 6.775%. 10
- (2) The pay-roll tax rate at which pay-roll tax is to be calculated and paid for the months of January–June 1999 is 6.7% instead of 6.775%.

14 Postponement of reduction in rate of pay-roll tax

- (1) If, before 1 January 1999, the Treasurer certifies to the Governor that the Treasurer is of the opinion that all the conditions set out in subclause (2) will not be satisfied as at 1 January 1999, the Governor may, by proclamation made and published in the Gazette on or before that date, postpone the reduction in the pay-roll tax rate that would otherwise have occurred in accordance with this Schedule on that date for 12 months. 15 20
- (2) The conditions are as follows:
- (a) the Commonwealth has ended the requirement for special revenue assistance payments by States and Territories, and 25
- (b) the funding formula (as agreed at the Premier's Conference on 14 June 1996) for financial assistance grants is operative, and
- (c) arrangements (as agreed at the meeting of the Council of Australian Governments on 11 April 1995) with respect to national competition payments are operative. 30

- (3) If a proclamation is made and published in accordance with this clause:
- (a) the definition of *R* in clauses 2, 6 and 10 is to be construed as follows:
- R* means:** 5
- (a) for the financial years commencing on 1 July 1996, 1 July 1997 and 1 July 1998—6.85, and
- (b) for the financial year commencing on 1 July 1999—6.775, and 10
- (c) for a subsequent financial year—6.7.
- (b) the reference in clause 13 (1) to 1998 is taken to be a reference to 1999, and
- (c) the reference in clause 13 (2) to 1999 is taken to be a reference to 2000. 15

[10] Schedule 6 Savings, transitional and other provisions

Insert at the end of clause 1 (1):

State Revenue Legislation Amendment (Howard and Costello) Act 1996

Schedule 3 Amendment of Stamp Duties Act 1920

(Section 5)

Part 1 Amendment commencing 1 July 1996

[1] Second Schedule Stamp Duties and Exemptions

Omit "2.50" from the matter relating to Motor Vehicle Certificate of Registration. 5
Insert instead "3.00".

**Part 2 Amendment commencing 1 January 1999
(or a proclaimed date)**

[2] Second Schedule Stamp Duties and Exemptions

10

Omit "3.00" from the matter relating to Motor Vehicle Certificate of Registration.
Insert instead "2.50".



New South Wales

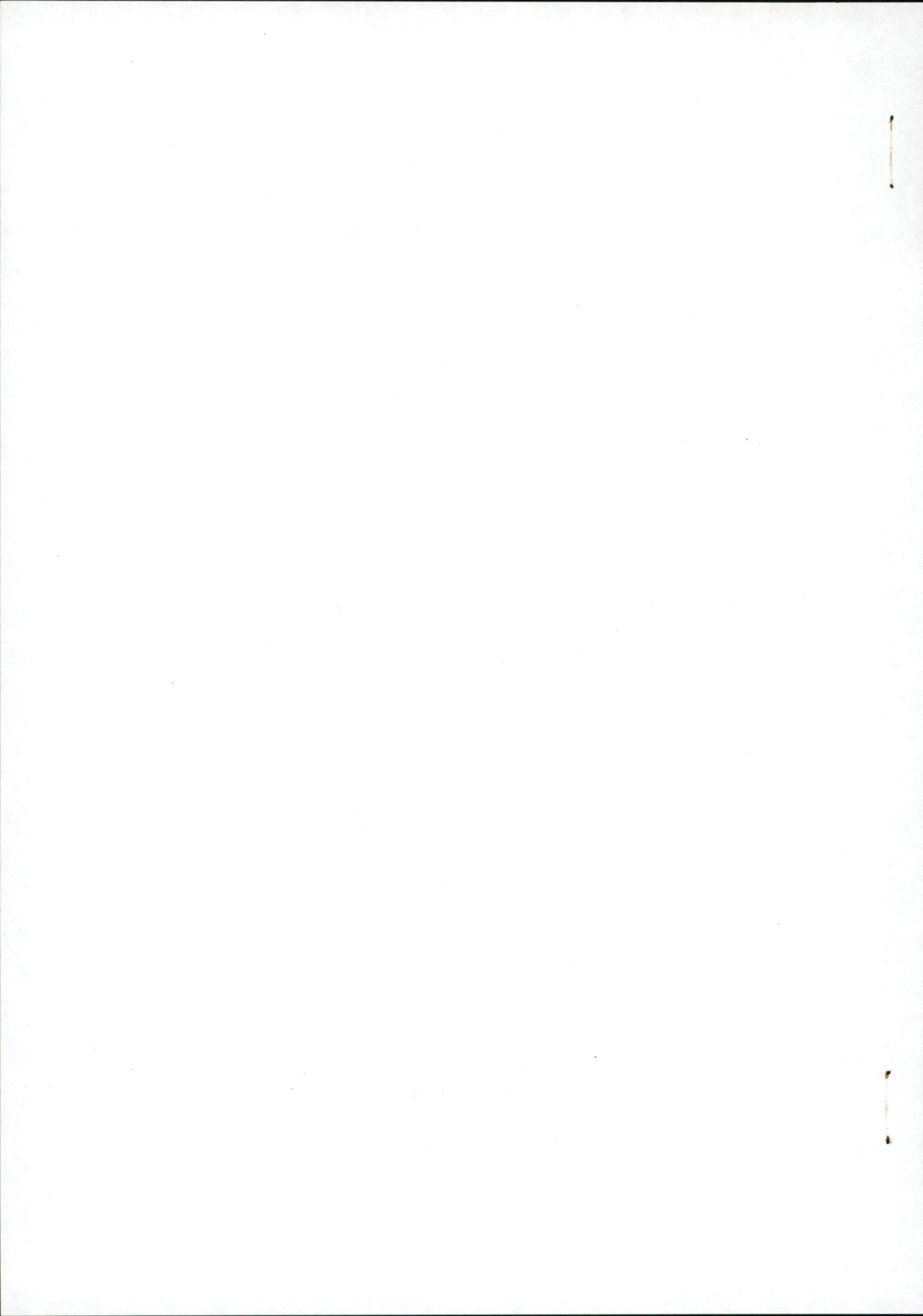
State Revenue Legislation Further Amendment Act 1996 No 55

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New South Wales

State Revenue Legislation Further Amendment Act 1996 No 55

Act No 55, 1996

An Act to amend the *Land Tax Act 1956* and the *Stamp Duties Act 1920* to increase for a limited period the rates at which land tax and motor vehicle stamp duty are payable, and to amend the *Pay-roll Tax Act 1971* to extend the basis on which pay-roll tax is assessed and to reduce the rate of pay-roll tax. [Assented to 28 June 1996]

The Legislature of New South Wales enacts:**1 Name of Act**

This Act is the *State Revenue Legislation Further Amendment Act 1996*.

2 Commencement

- (1) This Act commences on the date of assent, except as provided by this section.
- (2) Schedule 2 and Part 1 if Schedule 3 commence or are taken to have commenced on 1 July 1996. A reference to a payment or setting apart of money in the definition of *superannuation benefit* in section 3 (1) of the *Pay-roll Tax Act 1971* is a reference to a payment or setting apart in respect of services rendered after 30 June 1996.
- (3) Part 2 of Schedule 3 commences on the earliest of the following days:
 - (a) 1 July 1999,
 - (b) a day to be appointed by proclamation for the purposes of this paragraph,
 - (c) the first day of the first quarter after the tabling in a House of Parliament of a report under section 6 stating that the sum of \$902 million has been received by the State as a result of the amendments made by this Act.

3 Amendment of Land Tax Act 1956 No 27

The *Land Tax Act 1956* is amended as set out in Schedule 1.

4 Amendment of Pay-roll Tax Act 1971 No 22

The *Pay-roll Tax Act 1971* is amended as set out in Schedule 2.

5 Amendment of Stamp Duties Act 1920 No 47

The *Stamp Duties Act 1920* is amended as set out in Schedule 3.

6 Reports on operation of amendments

- (1) The Treasurer is to prepare a report as soon as possible after the end of each quarter (commencing with the quarter in which this Act commences):

-
- (a) stating as accurately as possible how much revenue has been received by the State during the quarter as a result of the amendments made by each of the Schedules to this Act, and
 - (b) describing the financial results since the commencement of this Act of the amendments made by each of the Schedules to this Act, and
 - (c) outlining alternatives that may be appropriate to deal with:
 - (i) the issues that led to or were considered in connection with the enactment of this Act, and
 - (ii) any issues that arise from the enactment and operation of this Act, and
 - (d) stating whether or not the sum of \$902 million has been received by the State as a result of the amendments made by this Act.
- (2) The Treasurer is to table, or cause to be tabled, a copy of the report in each House of Parliament within 15 sitting days of the House after the end of the quarter. If the information needed to complete the report is not available within that period, copies of the report are to be tabled as soon as possible after the information becomes available.
 - (3) The requirement for reports to be prepared and tabled under this section ceases:
 - (a) when a report has been tabled under this section stating that the sum of \$902 million has been received by the State as a result of the amendments made by this Act, or
 - (b) when the following have occurred:
 - (i) the relevant year referred to in section 3AG (5) of the *Land Tax Act 1956* has ended, and
 - (ii) the interim period referred to in Part 4 of Schedule 2 to the *Pay-roll Tax Act 1971* has ended, and
 - (iii) Part 2 of Schedule 3 has commenced.
 - (4) In this section and section 2:

quarter means a period of 3 months ending with the last day of March, June, September or December.

Schedule 1 Amendment of Land Tax Act 1956

(Section 3)

[1] Section 3AE Levy of land tax after 31 December 1989

Insert "and ending with 1995" after "1989" in section 3AE (1).

[2] Sections 3AF and 3AG

Insert after section 3AE:

3AF Levy of land tax after 31 December 1996

- (1) Except as provided by subsection (2), in respect of the taxable value of all the land owned by any person at midnight on 31 December in any year (commencing with 1996 and ending with the year preceding the relevant year referred to in section 3AG) there is to be charged, levied, collected and paid under the provisions of the Principal Act and in the manner prescribed under that Act, land tax for the period of 12 months commencing on 1 January in the next succeeding year and at the rates set out in Schedule 7.
- (2) In respect of the taxable value of all the land owned by a person at midnight on 31 December in any year (commencing with 1996) where:
 - (a) the owner is a company classified under section 29 of the Principal Act as a non-concessional company, or
 - (b) the land is subject to a special trust,

land tax for the period of 12 months commencing on 1 January in the next succeeding year is, except as provided by section 27 (2A) of the Principal Act, to be charged, levied, collected and paid as referred to in subsection (1) at the rate of 1.65 cents for each \$1 of the taxable value.

- (3) If the total amount of land tax payable pursuant to this section by any person in any year would, but for this subsection, be less than \$100, no land tax is payable.
- (4) If on the assessment of land tax an amount is arrived at expressed in dollars and a number of cents which is not a multiple of 10, the number of cents is, if less than 10, to be disregarded or, if more than 10, to be reduced to the multiple of 10 next below.

3AG Levy of land tax after 31 December 1998 (or a proclaimed year)

- (1) Except as provided by subsection (2), in respect of the taxable value of all the land owned by any person at midnight on 31 December in any year (commencing with the relevant year) there is to be charged, levied, collected and paid under the provisions of the Principal Act and in the manner prescribed under that Act, land tax for the period of 12 months commencing on 1 January in the next succeeding year and at the rates set out in Schedule 8.
- (2) In respect of the taxable value of all the land owned by a person at midnight on 31 December in any year (commencing with the relevant year) where:
 - (a) the owner is a company classified under section 29 of the Principal Act as a non-concessional company, or
 - (b) the land is subject to a special trust,land tax for the period of 12 months commencing on 1 January in the next succeeding year is, except as provided by section 27 (2A) of the Principal Act, to be charged, levied, collected and paid as referred to in subsection (1) at the rate of 1.5 cents for each \$1 of the taxable value.
- (3) If the total amount of land tax payable pursuant to this section by any person in any year would, but for this subsection, be less than \$100, no land tax is payable.

(4) If on the assessment of land tax an amount is arrived at expressed in dollars and a number of cents which is not a multiple of 10, the number of cents is, if less than 10, to be disregarded or, if more than 10, to be reduced to the multiple of 10 next below.

(5) In this section:

amending Act means the Act that inserted this section into this Act.

relevant year means the earliest of the following years:

- (a) 1999,
- (b) a calendar year to be appointed by proclamation for the purposes of this paragraph (being 1997 or 1998),
- (c) the calendar year during which a report is tabled in a House of Parliament under section 6 of the amending Act stating that the sum of \$902 million has been received by the State as a result of the amendments made by the amending Act.

[3] Schedules 7 and 8

Insert after Schedule 6:

Schedule 7

(Section 3AF)

Where the taxable value assessed under the Principal Act	Rates of Land Tax Payable
is less than \$160,000	nil
is not less than \$160,000	\$100 plus 1.65c for each \$1 in excess of \$160,000

Schedule 8

(Section 3AG)

Where the taxable value assessed under the Principal Act	Rates of Land Tax Payable
is less than \$160,000	nil
is not less than \$160,000	\$100 plus 1.5c for each \$1 in excess of \$160,000

Schedule 2 Amendment of Pay-roll Tax Act 1971

(Section 4)

[1] Section 3 Definitions

Insert in section 3 (1) in alphabetical order:

superannuation benefit means:

- (a) a payment of money by an employer for the benefit of an employee to, or the setting apart of money by an employer for the benefit of an employee as, a superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* of the Commonwealth, or
- (b) a payment by an employer of a superannuation guarantee charge within the meaning of the *Superannuation Guarantee (Administration) Act 1992* of the Commonwealth, or
- (c) a payment of money by an employer for the benefit of an employee to, or the setting apart of money by an employer for the benefit of an employee as, any other form of superannuation, provident or retirement fund or scheme, or
- (d) in respect of an unfunded or partly unfunded superannuation, provident or retirement fund or scheme (being a fund or scheme under which the employer is not required to, or does not, pay or set aside money in respect of a superannuation, provident or retirement fund or scheme during the period of the employee's employment), a payment of money that:
 - (i) is paid or payable by an employer as, or as a contribution to, a pension, lump sum or other benefit paid or payable as a result of the retirement of an employee (or the cessation of the employment of an employee for any other reason) to the employee (or ex-employee) or a dependent

of the employee (or ex-employee) in respect of services rendered by the employee after 30 June 1996, and

- (ii) is not liable to pay-roll tax by virtue of paragraph (a), (b) or (c).

[2] Section 3AA Wages

Omit section 3AA (4).

[3] Section 3AA (6A)

Insert after section 3AA (6):

(6A) Wages includes a superannuation benefit.

[4] Section 3A Application of this Act to certain contracts

Insert after section 3A (2) (d):

, and

- (e) an amount paid or payable for or in relation to the performance of work under a relevant contract is taken to include any payment made by a person who is taken to be an employer under a relevant contract in relation to a person who is taken to be an employee under the relevant contract that would be a superannuation benefit if made in relation to a person in the capacity of an employee.

[5] Schedule 2 Calculation of pay-roll tax liability from 1 July 1996

Omit "7" wherever occurring in the formulae in clauses 4, 8 and 12. Insert instead "R".

[6] **Schedule 2, Part 4**

Insert after Part 3:

Part 4 Rates

13 Definitions

(1) In this Schedule:

R means (subject to clause 15):

- (a) for a financial year occurring during the interim period—6.85, and
- (b) for a financial year occurring after the interim period—6.7.

(2) In this Part:

amending Act means the Act that inserted this Part into this Schedule.

financial year means the financial year commencing on 1 July 1996 or on 1 July in any subsequent financial year.

interim period means the interim period referred to in clause 14.

quarter means a period of 3 months ending with the last day of March, June, September or December.

14 Interim period

For the purposes of this Schedule, the interim period is the period commencing on 1 July 1996 and ending on the earliest of the following:

- (a) 30 June 1999,
- (b) 30 June of a financial year to be appointed by proclamation for the purposes of this paragraph (being the financial year ending 30 June 1997 or 30 June 1998),

- (c) 30 June of the financial year during which a report is tabled in a House of Parliament under section 6 of the amending Act stating that the sum of \$902 million has been received by the State as a result of the amendments made by the amending Act.

15 Arrangements where reduction is to occur from 1 January

- (1) This clause applies if:
 - (a) a proclamation under clause 14 (b) provides that this clause is to apply from 1 January of the last financial year of the interim period, or
 - (b) a report referred to in clause 14 (c) is tabled during the first two quarters of the last financial year of the interim period.
- (2) Where this clause applies:
 - (a) *R* is, for the purposes of this Schedule, taken to be 6.775 for the last financial year of the interim period, and
 - (b) the pay-roll tax rate at which pay-roll tax is to be calculated and paid for the first two quarters of that last financial year is taken to be 6.85%, and
 - (c) the pay-roll tax rate at which pay-roll tax is to be calculated and paid for the last two quarters of that last financial year is taken to be 6.7%.

[7] Schedule 6 Savings, transitional and other provisions

Insert at the end of clause 1 (1):

State Revenue Legislation Further Amendment Act 1996

Schedule 3 Amendment of Stamp Duties Act 1920

(Section 5)

Part 1 Amendment commencing 1 July 1996

[1] Second Schedule Stamp Duties and Exemptions

Omit "2.50" from the matter relating to Motor Vehicle Certificate of Registration.

Insert instead "3.00".

Part 2 Amendment commencing 1 January 1999 (or a proclaimed date)

[2] Second Schedule Stamp Duties and Exemptions

Omit "3.00" from the matter relating to Motor Vehicle Certificate of Registration.

Insert instead "2.50".

[Minister's second reading speech made in—
Legislative Assembly on 20 June 1996
Legislative Council on 26 June 1996]