

Legislation Fact Sheet

Employment Incentive Scheme (Payroll Tax Rebate) Amendment Bill 2014

- Amendments to the *Employment Incentive Scheme (Payroll Tax Rebate) Act 2009* implement a fourth tranche of the payroll tax rebate scheme (EISPR4) and provide payroll tax incentives for medium and large businesses to create and retain new jobs in Tasmania. The amendments emulate three prior schemes that had a job creation phase in the first year and job retention phase in the second year.
- The amendments establish a scheme for the payment of rebates equivalent to the payroll tax paid on new employment created between 30 June 2014 and 30 June 2015 (the job creation phase), provided that the new positions are maintained until 30 June 2016 (the end of the job retention phase).
- Amendment of the *Employment Incentive Scheme (Payroll Tax Rebate) Act* will require an eligible business to declare the number of full-time equivalent staff (FTEs) as a benchmark as at 30 June 2014.
- This fourth tranche (EISPR4) will be capped at a total cost of \$4 million payable across three financial years.
- Should the \$4 million cap look like being exceeded, the amendments allow for the Treasurer to publish a notice in the Gazette limiting the scheme in terms of duration and the amount of rebates.
- Whilst this Bill limits the duration of the Scheme, the funding is dealt with through the Budget process. This allows the Government the flexibility to increase the cap if the response from the private sector during the 12 month job creation phase exceeds expectations, and if the Government considered it appropriate.
- Based on the previous success of the EISPR schemes, it is estimated that the new payroll tax rebate will support the creation of approximately 600 new jobs.