

## FACT SHEET

### *Taxation and Related Legislation (Miscellaneous Amendments) Bill 2020*

#### **Amendments to the *First Home Owner Grant Act 2000* - Extension of the First Home Owner Grant**

- The Bill amends the *First Home Owner Grant Act 2000* to extend the First Home Owner Grant for newly constructed dwellings.
- The FHOG is currently equal to \$20 000 but is due to revert to \$10 000 on 1 July 2020. These amendments will extend the FHOG at \$20 000 for a further 24 months, until 30 June 2022.
- This measure will provide continued support and certainty to eligible first home owners and Tasmania's building and construction sector throughout a period of challenging economic circumstances.
- The FHOG extension will commence on 1 July 2020 and the eligibility criteria are unchanged from those which currently apply.

#### **Amendments to the *Payroll Tax Act 2008* - Payroll tax waiver for small to medium-sized businesses and businesses in certain industries**

- The Bill amends the *Payroll Tax Act 2008* to provide for payroll tax to be waived for:
  - the last four months of the 2019-20 financial year for hospitality, tourism and seafood industry businesses; and
  - the three months to June 2020 for small to medium businesses (businesses with an annual payroll of up to \$5 million in Australian wages) who demonstrate that their business is affected by COVID-19.
- These measures were announced under stage one of the Government's economic stimulus plan in response to the COVID-19 pandemic and are designed to support Tasmanian jobs.
- The Bill provides that the Minister may make a Ministerial Order to waive the payment of payroll tax under the Act for a specified period on the taxable wages paid to an employee or class of employees by an employer. The Minister may also make an order to waive the requirement to lodge a specified document or return or other administrative processes required under the Act.
- The making of a Ministerial Order allows the Government's measures to be implemented as announced while also providing the necessary flexibility for the Government to promptly respond to any additional challenges that COVID-19 may pose to further sectors of the Tasmanian economy. A Ministerial Order made for this purpose can be amended to provide payroll tax relief to additional industries or

businesses or to extend the length of the payroll tax relief as required.

- The power to make a Ministerial Order under these provisions is limited by the period of the COVID-19 public health emergency. That is, a Ministerial Order made under these provisions can only be made up until the first anniversary of the Minister being notified by the Director of Public Health that there is no longer a public health emergency. Any Order made during the public health emergency will also cease to have effect on that anniversary.
- Any Ministerial Order made under these provisions will be a disallowable instrument which can be disallowed by either House of Parliament.
- The Bill also provides that the Commissioner of State Revenue may do anything necessary or convenient to give effect to a Ministerial Order made under these provisions, including make a determination as to whether, or how, the order applies in specified circumstances, or a specified class of circumstances.

**Amendments to the *Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Act 2017* - Payroll tax rebate for youth employees**

- The Bill amends the *Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Act 2017* to provide businesses with a one year payroll tax rebate for new youth employees (persons aged 24 years and under) employed between 1 April 2020 and 31 December 2020.
- This measure was announced under stage one of the Government's economic stimulus plan in response to the COVID-19 pandemic and is designed to encourage businesses to employ young people.
- The rebate will apply to full-time and part-time employees.
- To afford sufficient flexibility to adapt to changing circumstances, the Bill allows the Minister to amend the length of the rebate and the eligible period (currently nine months) by Ministerial Order. The extension of the periods can only be made in response to the impact of COVID-19.