

# FACT SHEET

## Payroll tax bill 2008

- The *Payroll Tax Bill 2008* repeals the *Pay-roll Tax Act 1971* and implements new payroll tax legislation and administration arrangements that are harmonized with those in place in New South Wales and Victoria.
- The Bill will commence from 1 July 2008, apart from Part 4 of Schedule 2 dealing with the treatment of Government bodies, which is taken to have commenced from 1 July 2003 (for the purposes of doubt removal).
- The Bill does not alter the payroll tax rate or tax free threshold that applied under the *Pay-roll Tax Act 1971*.
- The key changes contained in the Bill, relative to the *Pay-roll Tax Act 1971*, include:
  - the inclusion of employee share acquisition schemes in the payroll tax base to ensure consistent treatment of all forms of remuneration;
  - increased exemption rates for motor vehicle and accommodation allowances, which are linked to rates set by the Australian Tax Office;
  - The adoption of a definition of wages that is consistent with the definition applying in New South Wales and Victoria.
  - The adoption of grouping provisions that are consistent with those applying in New South Wales and Victoria;
  - The use of a lower gross-up factor for calculating the value of fringe benefits subject to payroll tax for all payroll tax payers;
  - New exemptions for payments made to employees on maternity leave and adoption leave;
  - New exemptions for wages paid to volunteer fire fighters; volunteer emergency workers; and to Aboriginal persons involved in a Community Development Employment Project; and
  - The expansion of current public benevolent and religious exemption arrangements to also cover not-for-profit organizations in relation to employees engaged exclusively in work for the charitable, religious, philanthropic, benevolent, or patriotic purposes of the organization.