

PAY-ROLL TAX REBATE BILL 2010

Introduction and First Reading

Bill introduced, on motion by **Mr T.R. Buswell (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR T.R. BUSWELL (Vasse — Treasurer) [12.19 pm]: I move —

That the bill be now read a second time.

Point of Order

Ms A.J.G. MacTIERNAN: Mr Speaker, can we just get clarification from the Treasurer whether or not the document that is now going to be circulated as the second reading speech is actually the second reading speech that the Treasurer is reading?

Several members interjected.

The SPEAKER: Members on both sides! There is no point of order, member for Armadale, but I will provide some clarification in respect of the question you asked at a later stage of this day's sitting. I will certainly do that, but all I want to hear at the moment is the Treasurer in respect of the bill that he is now second reading.

Debate Resumed

Mr T.R. BUSWELL: The Pay-roll Tax Rebate Bill 2010 seeks to implement the government's 2009–10 budget commitment to provide a one-off payroll tax rebate for employers, to help support employment by small and medium-sized businesses.

Consistent with the details announced at the time of the budget, the bill provides that employers with Australia-wide payrolls of up \$1.6 million will be paid a rebate to offset all of their 2009–10 Western Australian payroll tax liabilities. The maximum amount of the rebate on a payroll of \$1.6 million will be \$46 750. The rebate will be phased down for employers that have Australia-wide payrolls between \$1.6 million and \$3.2 million. Eligibility for the rebate is based on employers' nationally grouped payrolls, with a group of related employers being eligible for only one rebate. Provisions exist in the bill to ensure that a proportional benefit of the rebate is available to all members of the group or employers who also pay wages in another jurisdiction. The bill also accommodates the changing circumstances of an employer during the course of a year, to ensure that the rebate produces outcomes that are consistent with the manner in which payroll tax is paid.

The explanatory memorandum associated with this bill has detailed examples that seek to provide clarity about the rebate calculation in respect of employers who are grouped or whose status changes partway through the year. An important requirement for eligibility for the rebate is that an employer must be registered to pay payroll tax in Western Australia during the 2009–10 assessment year. A deeming provision has been included in the bill to ensure that employers are not disadvantaged if their requirement to register does not arise until after 30 June 2010 in respect of wages payable in June 2010. The registration requirement serves to ensure equity in the tax system by only providing the rebate to taxpayers who have complied with their requirements under the Pay-roll Tax Assessment Act to register and remit payroll tax. The bill also contains a provision to ensure that the rebate is not available in respect of wages which would normally be payable after 30 June 2010, but which are paid on or prior to this date in an attempt to maximise an employer's rebate.

The rebate will be based on an employer's primary payroll tax liability, and will not extend to any amounts of penalty tax or interest that an employer has incurred during 2009–10. The rebates will be calculated and paid by the Commissioner of State Revenue, without application having to be made by the employer. Subject to the passage of this legislation and the Pay-roll Tax Assessment Amendment Bill 2010, it is expected that payments will be made to eligible employers after they have completed their 2009–10 annual reconciliation process. Should an employer's 2009–10 payroll tax liability be amended after a rebate has been paid, the bill provides that an amended calculation of the rebate will be made that will result in either the employer being paid an additional amount of rebate or a repayment of rebate being sought from the employer. The time period for these adjustments is consistent with the five-year reassessment period applicable to the payroll tax liability under the Taxation Administration Act 2003. The rebate has an estimated cost in 2010–11 of \$100 million.

I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.