



New South Wales

State Revenue Legislation Further Amendment Act 1996 No 55

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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):

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- (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.

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- (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]