

Australian Capital Territory

Taxation Administration (Amounts payable – Payroll Tax) Determination 2006 (No 1)

Disallowable instrument DI2006—86

made under the

Taxation Administration Act 1999, s 139 Determination of amounts payable under tax laws

EXPLANATORY STATEMENT

This instrument revokes Disallowable Instrument No 94 of 2002, notified on the ACT Legislation Register on 26 June 2002.

Under section 139 of the *Taxation Administration Act 1999* the Minister has authority to determine, in writing by disallowable instrument, amounts payable under this Act.

Previously, the threshold was determined for section 16 (1) of the *Payroll Tax Act 1987*. The purpose of this instrument is to determine the threshold for section 7 of the *Payroll Tax Act 1987* commencing on 1 July 2006. Section 7 requires employers to register once they exceed the monthly threshold as determined. Employers required to be registered must also lodge monthly returns and pay their payroll tax liability.

Payroll tax is collected monthly, but is an annual tax based on wages paid or payable during the whole or part of a financial year. The monthly wages threshold above which an employer is required to register for ACT payroll tax under section 7, is determined at \$104,166.67 for the 2006-2007 and future financial years.

This instrument also determines the rate used to calculate payroll tax on the total wages paid or payable in excess of the monthly threshold of \$104,166.67 (\$1,250,000 per annum) at 6.85%. This is unchanged from the previous instrument.

This determination commences on 1 July 2006.

Authorised by the Treasurer