Australian Capital Territory

Payroll Tax (Disability Employment Concession) Guidelines 2013

Disallowable instrument DI2013-324

made under the

***Payroll Tax Act 2011*, Schedule 2, Part 2.10, Section 2.23 (Disability employment concession guidelines)**

EXPLANATORY STATEMENT

---

1. This instrument is the *Payroll Tax (Disability Employment Concession) Guidelines 2013*. The instrument commences on the day after notification. These guidelines are to provide further detailed information on how the concession will be administered in practice.
2. The Payroll Tax Amendment Bill 2013 (No 2) introduced amendments to the *Payroll Tax Act 2011* to implement the Government's election commitment to provide a payroll tax concession, of up to $4,000 to eligible employers who hire a recent school leaver with disability.
3. There are a number of barriers for people with disability to participating in employment. This can affect self-esteem and the level of engagement with the community for people with disability. This initiative will assist in providing increased opportunities for young people living with disability to gain employment, and thus assist in the sometimes difficult transition from the school to employment environment.
4. This instrument provides guidelines and information on the eligibility for and administration of the concession. The Explanatory Statement to the Payroll Tax Amendment Bill 2013 (No 2) provides further information on the technical clauses of the Bill that introduced this concession, as well as other information on the concession.

PART ONE – CONCESSION CRITERIA

5. Part One of the instrument provides information on the eligibility for the concession. This includes details on who is an eligible employee, what constitutes a qualifying disability and relevant employment, and the concession amount available.
6. This concession is targeted to large ACT businesses with annual Australia-wide wages in excess of $1.75 million (or $145,833.33 monthly), and therefore liable for and paying payroll tax in the ACT.
7. The concession will only be available once to an eligible employer for each eligible person with disability that is employed during the course of the scheme (that is, prior to 1 July 2015); however, it is not restricted in how many eligible employees a single business can employ.

PART TWO – CONCESSION ADMINISTRATION

8. Part Two provides guidelines on the application and administration of the concession. Details are provided on how an eligible employer can apply for the concession, and how this will proceed up to the point of the concession being granted. The guidelines expand on the following:

   a. Disability Employment Services (DES) will work with young people with disability to identify suitable employment opportunities for them. Once achieved, DES will assist the employer in completing the appropriate paperwork, which will allow Disability ACT to determine if the employee is an eligible person for the concession.

   b. Disability ACT will advise the DES or employer of the outcome, as well as the ACT Revenue Office. At the time of completion of the annual payroll tax reconciliation process, the eligible employee will confirm with the ACT Revenue Office the ongoing employment of the eligible person with disability, and the length of time this person has been employed.

   c. At the time of the annual payroll tax reconciliation, the payroll tax account will be adjusted as appropriate, resulting in either a reduced liability for that financial year, or a refund to the taxpayer.

9. This concession will assist in providing more post-school options to young people with disability in the ACT, and will provide employers with the benefit of the many skills and talents that youth with disability can bring to the workplace. Greater levels of personal and financial independence, social inclusion, self-esteem and a greater quality of life can be gained by youth with disability engaging in rewarding employment.

10. This instrument is a new instrument, resulting from the Payroll Tax Amendment Bill 2013 (No 2). It does not revoke any existing instrument.

Authorised by

Andrew Barr MLA
Treasurer
18 December 2013