

Australian Capital Territory

# Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2024

Disallowable instrument DI2024–173

made under the

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

## EXPLANATORY STATEMENT

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This instrument is the *Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2024*. This instrument commences on 1 July 2024.

Under section 139 of the *Taxation Administration Act 1999*, the Minister has the authority to determine, by disallowable instrument, the amounts and rates applicable under the *Payroll Tax Act 2011*.

Payroll tax is collected monthly, but is an annual tax based on Australia-wide wages paid or payable during the whole or part of a financial year.

This instrument determines the thresholds for the payment of ACT payroll tax under the *Payroll Tax Act 2011*. The annual Australia-wide wages tax-free threshold remains at \$2,000,000 and the monthly threshold at \$166,666.66.

This instrument also determines the payroll tax rate for the 2024-25 financial year to calculate payroll tax on ACT taxable wages, if the total wages paid or payable are in excess of the annual or monthly thresholds – potentially comprising a general rate and a surcharge rate.

A general payroll tax rate of 6.85 per cent per annum is determined.

From 1 July 2024, a payroll tax surcharge rate will apply for large businesses, at an additional:

- 0.25 per cent on ACT taxable wages, where an employer is above the payroll tax threshold for businesses with Australia-wide wages above \$50 million per annum or \$4,166,666.66 monthly; and
- 0.5 per cent on ACT taxable wages, where an employer is above the payroll tax threshold for businesses with Australia-wide wages above \$100 million per annum or \$8,333,333.33 monthly.

For example, the general and surcharge rates will result in:

- For a payroll tax employer with annual Australia-wide wages of \$20 million, payroll tax of 6.85 per cent applying to all ACT taxable wages above the relevant tax-free threshold amount.
- For a payroll tax employer with annual Australia-wide wages of \$60 million, payroll tax of 7.10 per cent (comprising 6.85 per cent plus 0.25 per cent) applying to all ACT taxable wages above the relevant tax-free threshold amount.
- For a payroll tax employer with annual Australia-wide wages of \$120 million, payroll tax of 7.35 per cent (comprising 6.85 per cent plus 0.5 per cent) applying to all ACT taxable wages above the relevant tax-free threshold amount.

The surcharge will not apply to universities with an ACT campus, as prescribed in section 4 of this instrument by the meaning of ‘eligible university’.

This instrument commences on 1 July 2024 and expires on 31 July 2025. It revokes *Taxation Administration (Amounts and Rates—Payroll Tax) Determination 2016 (No 1)*, DI2016-145.