QTON No. 146

LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2024-2025
Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),
Miss Laura Nuttall MLA

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by: Mr Andrew Braddock MLA

Addressed to: Treasurer

Redirected to: N/A

Reference: Uncorrected Hansard Transcript pp 110–111

In relation to: Payroll tax for high net worth individuals

Hearing Date: 30 July 2024

QTON lodgement date: 31 July 2024

Answer Due Date: 5 August 2024

MR BRADDOCK: Do the big four consultancy firms pay payroll tax here in the ACT, and in particular, do their partners pay payroll tax?

Mr Barr: I think yes.

Mr Hocking: Definitely the first part is yes. The partners, I do not know if Mr Salisbury knows anything about whether their salaries would be—

MR BRADDOCK: And there are no plans for reforms to the payroll tax system to capture such high net worth individuals and what they are being paid?

Mr Salisbury: I will take that on notice, please.

Andrew Barr MLA: The answer to the Member's question is as follows:

Payroll tax is a self-assessed tax and all businesses, including consultancy firms, which employ staff in the ACT are expected to be aware of, and comply with, their payroll tax obligations.

Payroll tax is applied to payments that are 'taxable wages'. Taxable wages refer to any payment that an employer provides to an employee in return for services. For payroll tax in the ACT, this includes: remuneration, wages, salary, commission, bonuses, allowances or other benefits, superannuation contributions, payments to contractors, director's fees, payments to employees

(before or after retirement or termination) that relate to their employment term, such as accrued leave and any other bonuses or loading, eligible termination payments, the value of any payments made in kind (where no money is involved but goods or services are exchanged for other goods or services), payments to employment agencies, benefits (see Fringe Benefits circular (PTA003.1)), wages paid to sick or injured employees and employer contributions to employee share schemes.

Payroll tax is levied on employers and payroll tax laws are harmonised across the states and territories. The Revenue Office runs an active payroll tax compliance program working with other state revenue offices and the Australian Taxation Office.

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature: Date: 9.8.24

By the Treasurer, Andrew Barr MLA