

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Pay-roll Tax

Circular No. 38
(formerly PRT Circular No. 11)

PAY-ROLL TAX REBATE SCHEME

The Government will provide pay-roll tax relief for the 1992-93 financial year in the form of a rebate scheme that is designed to assist employers expanding or maintaining employment levels.

Employers can claim the rebate by submitting a special rebate return form with or after their normal June 1993 monthly pay-roll tax return. This return should detail the number of full-time equivalent employees (FTE's) for each month of both the 1991-92 and 1992-93 years. The average for 1992-93 less 98% of the average for 1991-92 will determine for how many FTE's a rebate may be claimed. In general, an employer that increases its employment, or decreases it by less than 2%, will be eligible for a rebate.

The rebate will be \$1,700 for FTE. This figure is the pay-roll tax payable on average annual private sector employee earnings of \$28,000. Thus an employer that expands its workforce by hiring employees who are paid less than this amount will receive a rebate that is greater than the tax normally payable in respect of such an employee.

Additional criteria attached to the scheme are that:

- the rebate cannot exceed the total pay-roll tax paid by the employer in 1992-93;
- a declaration must be signed on the form stating that the employment numbers are correct and not subject to influences (i.e. mergers, takeovers) apart from genuine changes in employment levels;
- employers currently treated as a group for pay-roll tax purposes will also be treated as a group for the purposes of the rebate scheme;
- the scheme applies only to the private sector;

- The following are excluded from the calculation of FTE numbers:-
 - sub-contractors including any person who acted as a sub-contractor to an employer during 1991-92;
 - temporary employees hired through employment agents;
 - employees whose wages are exempt from pay-roll tax because they are employed under Australian Traineeship or Employers Association Apprenticeship Schemes.
- the calculation of a full-time equivalent will be based on whatever the standard full-time hours are for that employer (the same standard must be used over the entire two year period). Thus if standard full-time hours are 38 per week, each worker on this number of hours counts a 1 FTE, a worker on 28.5 hours per week is 0.75 FTE, a worker on 19 hours per week is 0.5 FTE and so on. No employee can count as more than 1 FTE - i.e. overtime hours are excluded.

At this stage employers do not need to take any action regarding the rebate scheme apart from ensuring that employment data is available to fulfil the criteria described above. The special rebate form will be mailed to employers towards the end of 1992-93.

12 October, 1992

COMMISSIONER OF STAMPS