

SOUTH AUSTRALIA



RevenueSA

Pay-roll Tax

Circular No. 199
(Replaces Circular No. 144)

PAY-ROLL TAX TRAINEE WAGE REBATE SCHEME

On 25 May 2000, the South Australian Government announced that the Pay-roll Tax Trainee Wage Rebate Scheme ("the Scheme"), applying to employers of trainees and apprentices would continue to operate for the 2000–2001 financial year, providing assistance to employers who engage persons under 25 years of age, pursuant to an approved Contract of Training.

For the purposes of the Scheme, an approved traineeship or apprenticeship is a Contract of Training approved by the State's Accreditation and Registration Council ("ARC"), pursuant to Part 4 of the *Vocational Education, Employment and Training Act 1994* ("the Act").

APPLICATION OF SCHEME

Existing Contracts of Training

Employers who have received a pay-roll tax rebate in respect of employees engaged under a Contract of Training during the 1999-2000 financial year, and who continue to engage an employee under the same Contract of Training beyond 30 June 2000 will continue to be eligible for a pay-roll tax rebate of 98% until the close of business on 30 June 2000. The pay-roll tax rebate for such employees will reduce to 80% from 1 July 2000. The rebate for existing trainees or apprentices over 25 years of age will be restricted to the remaining contract term of their traineeship or apprenticeship, or four years, whichever is the lesser.

New Contracts of Training

Commencing 25 May 2000, employers who commence a new or an existing employee as a trainee or apprentice under an approved Contract of Training before their 25th birthday may be eligible for a pay-roll tax trainee wage rebate.

The amount of pay-roll tax rebate payable shall be equal to 80% of the pay-roll tax paid in respect of wages paid to eligible trainees or apprentices engaged pursuant to a Contract of Training approved by the ARC under Part 4 of the Act for the term of the Contract of Training or for four years, whichever is the lesser.

Rebates are only payable in respect of the initial Contract of Training approved by ARC and not in respect of subsequent Contracts of Training entered into with the same employer.

GENERAL ELIGIBILITY CRITERIA

The general eligibility criteria are as follows:

- The scheme applies only to South Australian trainees or apprentices for whom a pay-roll tax liability arises in the State and who commence an approved Contract of Training before their 25th birthday.
- To be eligible for the rebate, employers must be up-to-date with their pay-roll tax obligations and must have paid the pay-roll tax for the rebate period.
- The maximum rebate payable under the scheme cannot exceed 80% of the pay-roll tax paid in respect of wages paid or payable in the rebate period.
- Employers seeking a rebate must apply on the approved application form, which will be sent to registered employers immediately before the end of each rebate period. Applications may be made by the individual employers concerned or on a group basis.
- Applications are to be lodged within 6 months after the close of the eligible rebate period. Any application lodged after the closure date for a particular period will be excluded from the operation of the rebate scheme.
- In respect of pay-roll tax rebates for trainees or apprentices employed pursuant to an approved Contract of Training before 25 May 2000, the rebate will only be payable for the lesser of either the remaining term of their traineeship or apprenticeship or for four years (ie all rebates will cease on 30 June 2004, in respect of trainees or apprentices employed under an approved Contract of Training entered into before 25 May 2000).
- Rebates are only payable in respect of the initial Contract of Training approved by ARC, and not in respect of subsequent Contracts of Training entered into with the same employer.

FURTHER INFORMATION

Location

RevenueSA
Taxpayer Services
State Administration Centre
200 Victoria Square East
ADELAIDE SA 5000

Postal

Commissioner of State Taxation
RevenueSA
GPO Box 1353
ADELAIDE SA 5001

Telephone

(08) 8226 3803

Facsimile

(08) 8226 3737

Website

<http://www.treasury.sa.gov.au/revenuesa>

E-mail

Revenuesa@saugov.sa.gov.au

June 2000

COMMISSIONER OF STATE TAXATION

Historical Use Only