

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Pay-roll Tax

Circular No. 104
replaced by Circular No. 129

EXPORTERS PAY-ROLL TAX REBATE SCHEME

Employers who, prior to 1 July, 1994, are or will be exporters of value added goods or services, may claim a rebate of 10% of pay-roll tax payable on the wages of employees engaged in generating eligible export earnings.

The scheme will apply to pay-roll tax payable in South Australia from 1 January, 1994 and be rebated on a six monthly basis. Continuation of the scheme after 30 June, 1995, will be subject to annual review.

Eligibility criteria are as follows:

1. Employers who have South Australian export earnings from value added goods and services are eligible. Employers may be eligible for both the New Exports and Exporters Pay-roll Tax Rebate Schemes.
2. Value added goods are those which have been manufactured, produced or processed in their final form in South Australia. "Processed" does not include grading, packing or sorting. Processed minerals, petroleum products and unprocessed primary produce are also excluded.
3. South Australian export earnings mean the \$A FOB (Free On Board) sale value of value added goods to a purchaser outside Australia and/or the South Australian component of the \$A consideration received in Australia for services supplied outside of Australia.

To be eligible the employer's name or that of the employer's agent must appear on the Bill of Lading for the goods concerned. Sales to a purchaser outside Australia who subsequently exports the goods from Australia may be eligible.

The date of sale will be deemed to be the date shown on the Bill of Lading, or for services, the date on which payment was received in Australia.

4. Services provided by employees outside of Australia are eligible only where the employer can establish that South Australian employees made a significant contribution to the services supplied.
5. The Scheme applies only to the private sector.
6. Employers currently treated as a group for pay-roll tax purposes will be treated as a group for the purposes of this scheme. One application must be made by the Designated Group Employer on behalf of all members of the group.
7. 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.
8. Employers seeking a rebate must apply on the approved application form which will be sent to employers immediately before the close of each eligible six month period.

CALCULATION OF REBATE

1. The rebate for each six month period shall be calculated as follows:

$$R = \frac{V}{S} \times P \times 10\%$$

where R = The rebate

V = SA South Australian export earnings (per item 3 above) in the rebate period.

S = SA Total South Australian earnings in the rebate period.

P = South Australian pay-roll tax payable for the rebate period after deducting any rebates from other pay-roll tax rebate schemes except the New Exports Scheme.

2. "SA Total South Australian earnings" means the employer's total turnover or sales revenue attributable to South Australian operations.
3. Where services are supplied outside of Australia:-

V = The South Australian component of the consideration received in Australia for services supplied outside of Australia. That component shall bear to the total consideration received the same relationship as South Australian wages bears to the employer's total Australian wages.

thus

$$V = \frac{\text{Total consideration x South Australian Wages}}{\text{Australian Wages}}$$

ENQUIRIES

Enquiries regarding this Scheme may be made in person or by post at the following addresses:-

Location

State Taxation Office
Enquiry and Payments Centre
Ground Floor, State Administration Centre
Victoria Square East
ADELAIDE SA 5000

Postal

Commissioner of Stamps
Pay-roll Tax Office
Box 2418 GPO
ADELAIDE SA 5001

Telephone Enquiries

Ms Lyndal Beer-Davies

(08) 226 3796

March, 1994

COMMISSIONER OF STATE TAXATION