

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Pay-roll Tax

Circular No 140

(Replaces Circulars No 129 & 130)

**EXPORTERS PAY-ROLL TAX REBATE SCHEME
FOR 1996-1997**

This Circular replaces Circulars No 129 and 130. It has been issued to provide advice as to the Government's review of the operation of the Export Pay-roll Tax Rebate Schemes which applied in the 1995-96 financial year.

The Government has decided to increase the pay-roll tax rebate available in respect of the export of value added goods or services from 10% to 20% with effect from 1 July 1996.

Employers who are or will be exporters of value added goods or services in 1996-97 may claim a rebate of 20% of pay-roll tax payable on the wages of employees engaged in generating eligible export earnings.

The rebate previously provided under the "New Exports Pay-roll Tax Rebate Scheme" (as detailed in Circular No 130) will officially cease to apply from 30 June 1996.

However, as a transitional arrangement, eligible firms will, in respect of the six month period to December 1996, be able to claim the higher amount of :

- the 20% Exporters Pay-roll Tax Rebate, or
- the combined rebates under the previous 10% Exporters Pay-roll Tax Rebate Scheme and the 50% New Exports Rebate Scheme.

The new rebate which may now be claimed is equal to 20% of the proportion of total pay-roll tax paid in South Australia which is attributable to South Australian export earnings in the rebate period.

Eligibility criteria are as follows:

1. Employers who have South Australian export earnings from value added goods and services are eligible.

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. Services provided by employees outside of Australia are eligible for the rebate only where the employer can establish that South Australian employees made a significant contribution to the services supplied.
4. South Australian export earnings mean the \$A FOB (Free on Board) sale value of value added goods sold 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.

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. Only one application may be made by the Designated Group Employer on behalf of all members of that group of employers.
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:

$$R = \frac{V}{S} \times P \times 20\%$$

where R = The rebate

V = \$A South Australian export earnings (per item 4 above) in the rebate period.

S = \$A 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.

2. “\$A 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

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

ENQUIRIES

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

Location

State Taxation Office
Taxpayer Services
Ground Floor, State Administration Centre
200 Victoria Square East
ADELAIDE SA 5000

Postal

Commissioner of Stamps
State Taxation Office
Box 2418 GPO
ADELAIDE SA 5001

Telephone Enquiries

(08) 8226 4074 or (08) 8226 3800
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