

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Pay-roll Tax

Circular No. 106

**LONG TERM UNEMPLOYED PAY-ROLL TAX REBATE
SCHEME**

Employers who are not eligible under the Exporters or New Exports Pay-roll Tax Rebate Schemes may be entitled to claim a rebate of the pay-roll tax payable in respect of wages paid to additional employees who have been unemployed continuously for not less than six months immediately prior to appointment.

This scheme will come into effect on 1 July, 1994 and conclude on 30 June, 1995. It replaces the existing Pay-roll Tax Rebate Scheme for new employees which terminates on 30 June, 1994.

Eligibility criteria are as follows:

1. The person for whom the rebate is to be claimed must have been unemployed for a continuous period of at least six months immediately prior to the appointment.
2. Rebate claims can only be made where a certificate has been issued by the Commonwealth Employment Service confirming that the person to be employed has been unemployed for a period of not less than six months immediately prior to appointment. The certificate should be retained by the employer to enable verification by the State Taxation Office of rebate claims.
3. The employment must involve not less than 35 hours per week.
4. The rebate is to apply only to additional full-time employees engaged during the 1994/95 financial year and therefore will only apply to the extent that employment of the eligible employer results in an increase in the full-time

employee (FTE) level for that year above the average FTE level applying for the 1993/94 financial year.

Historical Use Only

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, (i.e. 152 hours per month) each worker on this number of hours counts as 1 FTE; a worker on 28.5 hours per week counts as 0.75 FTE.

Where employees work varying hours from week to week, the hours worked during the month should be added together and divided by the number of standard full-time hours in the month.

e.g. where an employee worked 94 hours in the month and a full-time employee worked 152 hours per month, the calculation is $94/152$, resulting in 0.62 FTE.

Calculations should be made to two decimal places. No employee can count as more than one FTE i.e. overtime hours are excluded.

5. The following are excluded from FTE numbers:

sub-contractors, unless deemed to be employees under the Pay-roll Tax Act;

temporary employees hired through employment agents;

employees whose wages are exempt from pay-roll tax because they are employed under the Australian Traineeship or Employers' Association Apprenticeship Schemes.
6. The scheme applies only to the private sector.
7. The rebate cannot exceed the total pay-roll tax paid by the employer in 1994/95.
8. A declaration must be signed on the form stating that the employment numbers are correct and not subject to influences (i.e., mergers, takeovers, acquisitions) apart from genuine changes in employment levels.
9. Employers currently treated as a group for pay-roll tax purposes will also 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.
10. The rebate for each eligible employee will start from the commencement of employment and conclude on 30 June, 1995.
11. Application must be made on the approved application form.

12. Employers qualifying under the Exporters or New Exports Pay-roll Tax Rebate Schemes are not eligible under this scheme.

13. 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 payable for the rebate period.

Rebate applications may be made either on a six-monthly basis or at the end of 1994/95.

Application forms will be sent to employers immediately before the close of each eligible six month period.

This scheme is in addition to any other State or Federal Government incentive scheme to increase employment. Claims under the scheme will be subject to audit by the Pay-roll Tax Office.

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