

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Pay-roll Tax

Circular No. 115
(Replaces Circular No. 105)
replaced by Circular No 130

NEW EXPORTS PAY-ROLL TAX REBATE SCHEME

This circular has been re-issued as a replacement for Circular No. 105 to provide further clarification regarding the calculation of the rebate amount.

From 1 July, 1994, a rebate of 50% may be claimed of pay-roll tax payable on the wages of additional employees engaged in generating new value-added export earnings.

Employers will be eligible if the additional export sales are attributable to company growth, the establishment of new ventures or the relocation of operations from another State.

This scheme will operate for the 1994/95 financial year and its continuation thereafter will be subject to annual review.

However, individual employers who relocate significant operations to South Australia or who undertake a major expansion of existing South Australian operations may, upon approval by the Government, qualify for this concession for a guaranteed period.

Eligibility criteria for 1994/95 are as follows:

1. Employers who have increased South Australian pay-roll tax payable and increased 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 provided.
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

(This section of the circular provides further clarification and elaboration to that provided in Circular No. 105.)

Historical Use Only

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

$$R = \frac{(V2 - V1)}{(S2 - S1)} \times (P2 - P1) \times 50\%$$

where R = The rebate

V1= \$A South Australian export earnings (per item 3 above) in six months to 30/6/94 indexed for the Adelaide CPI.

V2= \$A South Australian export earnings (per item 3 above) in the rebate period.

S1= \$A Total South Australian earnings in six months to 30/6/94 indexed for the Adelaide CPI.

S2= \$A Total South Australian earnings in the rebate period.

P1= Pay-roll Tax payable for six months to 30/6/94 after deducting any rebate under the Exporters and any other pay-roll tax rebate scheme and indexed for the Adelaide CPI.

P2= Pay-roll Tax payable for the rebate period after deducting any rebate under the Exporters and any other pay-roll tax rebate scheme.

Except that:-

If $(V2-V1)$ or $(P2-P1)$ is less than or equal to zero, no rebate is payable.

If $(S2-S1)$ is less than or equal to zero, the rebate will be calculated as though $(S2-S1) = 1$.

If $(V2-V1)/(S2-S1)$ is greater than 1, the rebate will be calculated as though $(V2-V1)/(S2-S1) = 1$.

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:-

V1 and V2 = The South Australian components of the consideration received in Australia for services supplied outside of Australia. The components shall bear to the total consideration received (in the relevant period) the same relationship as the proportion of the employer's South Australian wages bears to the employer's total Australian wages.

thus

$$V1 \text{ and } V2 = \frac{\text{Total consideration x South Australian Wages}}{\text{Australian Wages}}$$

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

June, 1994

COMMISSIONER OF STATE TAXATION

Historical Use Only