

# Fuel Subsidy Repeal and Revenue and Other Legislation Amendment Bill 2009

## Explanatory Notes

### Objectives of the Bill

To repeal the *Fuel Subsidy Act 1997* with effect from 1 July 2009 as announced in the 2009-10 State Budget and to amend the Act prior to its repeal to facilitate winding up the Queensland Fuel Subsidy Scheme.

To amend the:

- *Duties Act 2001* and *Pay-roll Tax Act 1971* to implement measures announced in the 2009-10 State Budget;
- *First Home Owner Grant Act 2000* to extend the operation of the First Home Owner Boost from 30 June 2009 to 31 December 2009 and to defer commencement of the \$1 million cap on the value of homes for which the grant may be paid from 1 July 2009 to 1 January 2010;
- *Land Tax Act 1915* to implement a revenue initiative announced in the Mid Year Fiscal and Economic Review;
- *Casino Control Act 1982* (Casino Control Act), to increase the tax rates applicable to gaming machines in Queensland casinos and abolish the concessional tax rates currently applicable to premium junket play at the Reef Hotel Casino and the Jupiters Townsville Hotel and Casino;
- *Casino Control Act* to remove the 1% Casino Community Benefit Levy currently payable by Queensland casinos to the chief executive and replace with the payment of a prescribed percentage of the casino tax revenue collected by the Minister which will then be paid into the Community Investment Fund. A portion of the Community Investment Fund will then transfer to the Casino Community Benefit Fund, which consists of three individual funds, to be used as per the respective trust deeds of each fund; and
- *Statistical Returns Act 1896* (SRA) to modernise and improve the efficiency of the SRA.

## **Reasons for the Bill**

### ***Revenue measures***

As part of the 2009-10 Budget, the Government announced its intention to abolish the Queensland Fuel Subsidy Scheme (QFSS) on and from 1 July 2009. The amendments in the Bill ensure the proper operation of the *Fuel Subsidy Act 1997* leading up to cessation of subsidy entitlements, abolish the QFSS through repeal of the *Fuel Subsidy Act 1997*, and ensure the ongoing effective operation of the repealed *Fuel Subsidy Act 1997* for pre-repeal matters.

As announced in the 2009-10 Budget, the transfer duty first home vacant land concession available under the *Duties Act 2001* is to be increased. The Bill implements this measure. The value up to which no transfer duty is payable will increase from \$150,000 to \$250,000 and the value at which the concession phases out will increase from \$300,000 to \$400,000. These changes will take effect from 1 July 2009.

The *First Home Owner Grant Act 2000* is amended by the Bill to reflect the extension of the First Home Owner Boost announced in the Commonwealth Budget. The timeframe for commencing an eligible transaction to which the Boost applies will be extended from 30 June 2009 to 31 December 2009. Also, as announced by the Commonwealth, the amount of the First Home Owner Boost will be halved after 30 September 2009 to be \$3,500 for established homes and \$7,000 for new homes. Commencement of the \$1 million cap on the value of homes for which the First Home Owner Grant may be paid is to be deferred until 1 January 2010 so that it does not apply during the term of the First Home Owner Boost.

As announced in the Mid Year Fiscal and Economic Review in December 2008, the *Land Tax Act 1915* will be amended to impose a 0.5 per cent surcharge on that part of the aggregate value of a taxpayer's land exceeding \$5 million from 1 July 2009.

The *Pay-roll Tax Act 1971* will be amended to provide employers who employ apprentices and trainees with a rebate of tax for the 2009-10 financial year.

### ***Other measures***

#### ***Casino Tax Rates***

The Casino Control Act allows for tax rates to be amended by Governor in Council by Regulation. However, the tax rates have not previously been amended using this statutory mechanism. Instead, the casino tax rates

applicable to each Queensland casino have been set by each of the respective Casino Agreements. The Casino Agreement Acts (*Brisbane Casino Agreement Act 1992*, the *Jupiters Casino Agreement Act 1983*, the *Breakwater Island Casino Agreement Act 1984* and the *Cairns Casino Agreement Act 1993*) provide that Casino Agreements have the force of law and any inconsistencies between the Agreement and an Act are determined in favour of the Agreement. The Casino Agreements for each casino stipulate that the terms of the Agreement may only be varied in accordance with the relevant Casino Agreement Act.

As a measure to protect the state from compensation claims and challenges to changes to tax rates, the Casino Control Act is amended in this Bill so that a person has no right to claim compensation if a regulation made under the authority of section 51(4) of the Casino Control Act changes a casino tax rate. To ensure that the application of the legislation is clear, a new provision is added to state that the fixing of a casino tax rate under section 51(4) of the Control Act applies despite any clause of a casino agreement or casino agreement Act.

#### *Casino Community Benefit Fund*

On 29 March 2009, the Treasurer requested amendments to the Casino Control Act in order to remove the 1% Community Benefit Levy currently payable by Queensland casinos to the chief executive. The 1% Levy is applied to the gaming win (casino gross revenue and premium junket revenue) in each of the four Queensland casinos. The Levy is paid into the Casino Community Benefit Fund (which consists of the Breakwater Casino Community Benefit Fund, the Cairns Casino Community Benefit Fund, and the Jupiters Casino Community Benefit Fund) for allocation to community groups by the Minister on advice from independent groups of trustees.

The Casino Community Benefit Fund will be funded through the Community Investment Fund. As with the other gambling taxes, an amount of 8.5% will be paid from the total casino tax collections to the Community Investment Fund. The Community Investment Fund will then finance the Casino Community Benefit Fund (which will continue to consist of the three individual funds). The value of funding to the Breakwater Casino Community Benefit Fund, Cairns Casino Community Benefit Fund, and the Jupiters Casino Community Benefit Fund will be maintained at current levels and will be indexed annually with the CPI. To allow for this, amendments will be made to the Casino Control Act and Gaming Machine Act.

### *Amendments to the Statistical Returns Act 1896*

Amendment of the SRA will ensure key statistical collections, such as the Queensland Labour Force Survey (QLFS), can be administered in a sustainable and efficient manner using up to date sampling frames (list of contact information) and collection methods (whether administered verbally, electronically or in writing).

## **How objectives are achieved**

### ***Revenue measures***

#### *Fuel subsidy*

The QFSS was established under the *Fuel Subsidy Act 1997* following a High Court decision in 1997 which invalidated State tobacco licence fees and cast doubt on the validity of State liquor and fuel fees. To preserve States' revenues, the Commonwealth increased customs and excise duties uniformly on the basis the additional revenue would be returned to the States, resulting in a fuel excise surcharge of 8.1 cents per litre (cpl) being imposed. The QFSS was established to return the surcharge to Queensland fuel consumers.

The *Fuel Subsidy Act 1997* is administered by the Commissioner of State Revenue and provides for payment of subsidies to licensed fuel retailers, who must pass on the subsidy benefit to motorists, and to licensed bulk end users (BEUs).

The QFSS is to be abolished on 1 July 2009 through repeal of the *Fuel Subsidy Act 1997*. As a result, fuel subsidies will not be payable for retail fuel sold, or bulk end user fuel used, after 30 June 2009 but will continue to be payable to licensed fuel retailers who sell retail fuel, and to licensed BEUs who use bulk end user fuel, before 1 July 2009.

In addition, to ensure its proper operation leading up to and following repeal, the *Fuel Subsidy Act 1997* is to be amended to:

- clarify when fuel is used as bulk end user fuel and when diesel is used for an off-road purpose;
- ensure no provisional subsidies are payable for a period starting on or after 1 July 2009;
- require the lodgement of all subsidy claims by 30 September 2009;
- clarify licensees' notification obligations;

- supplement the savings provisions of the *Acts Interpretation Act 1954* to ensure the continued proper administration of the repealed Act and the ongoing effect of rights, privileges and liabilities arising in relation to pre-repeal matters.

*Increases in transfer duty first home vacant land concession threshold*

Transfer duty concessions are available on acquisitions of vacant land for the purpose of building a first home. A full rebate of duty applies where the dutiable value of the land does not exceed \$150,000. The concession reduces over that amount and cuts out at \$300,000.

This Bill amends the *Duties Act 2001* to increase the value at which a full rebate applies to \$250,000 and the value at which the concession cuts out to \$400,000. The new arrangements will apply from 1 July 2009.

*Extension of First Home Owner Boost and \$1 million cap*

The First Home Owner Boost provides an additional payment from the Commonwealth Government of \$7,000 for existing homes and \$14,000 for new homes over and above the \$7,000 First Home Owner Grant. Originally, the Boost was to end on 30 June 2009. The 2009-10 Commonwealth Budget extended the period of the Boost to 31 December 2009. However, the Boost is to be halved after 30 September 2009 to \$3,500 for established homes and \$7,000 for new homes.

The Bill amends the *First Home Owner Grant Act 2000* to extend the existing arrangements for the Boost consistent with the Commonwealth announcement.

A 2008-09 State Budget initiative was to limit entitlement to the First Home Owner Grant to homes worth less than \$1 million (the cap). Commencement of the cap was deferred until 1 July 2009 so as not to apply during the term of the First Home Owner Boost. As the First Home Owner Boost is to be extended to 31 December 2009, the Bill amends the *First Home Owner Grant Act 2000* to defer commencement of the cap until 1 January 2010.

*Land tax*

The *Land Tax Act 1915* will be amended to impose a 0.5 per cent surcharge on that part of the aggregate value of a taxpayer's land (for land tax purposes) exceeding \$5 million from 1 July 2009.

*Pay-roll tax rebate for wages paid to apprentices and trainees*

Wages paid to apprentices and trainees are exempt from pay-roll tax. Amendments to the *Pay-roll Tax Act 1971* proposed in the Bill will entitle an employer who employs apprentices or trainees whose wages are exempt from pay-roll tax also to claim a rebate of pay-roll tax in relation to those wages. The rebate will reduce pay-roll tax payable on the wages of other employees of the employer.

The amount of the rebate will be 25 per cent of the amount calculated by applying the pay-roll tax rate (4.75 per cent) to the apprentice or trainee wages which are exempt from tax. If that calculation results in an amount which is notionally greater than the total pay-roll tax payable on the employer's other wages, the rebate will be set at the total tax payable, therefore setting total tax payable at nil. For an employer which is a member of a group for pay-roll tax purposes, where the amount determined under the calculation is greater than the pay-roll tax payable, special provisions will apply to allow other group members to share in the excess to the extent of the other group members' tax liability.

The rebate will apply for the 2009-10 year. Consistent with current pay-roll tax return arrangements, employers may claim the rebate throughout the 2009-10 year by self assessing their rebate entitlement in working out their periodic liabilities. Any necessary adjustment will be made through the annual return process.

***Other measures***

*Casino Tax Rates*

The amendments ensure that the casino tax rates that apply for Queensland casinos are able to be varied by Governor in Council by Regulation without claims of compensation and despite any clauses within the Casino Agreements or Casino Agreement Acts.

*Casino Community Benefit Fund*

References to the Casino Benefit Levy will be removed from the Casino Control Act. The percentage of all amounts received by the chief executive by way of casino tax to be paid into the Community Investment Fund will be prescribed in a Regulation. Amounts paid into the Community Investment Fund will be administered under the *Financial Accountability Act 2009*. The Casino Community Benefit Fund will be funded through the Community Investment Fund. A portion of the Community Investment Fund will transfer to the Casino Community Benefit Fund, being

apportioned between the three individual Casino Community Benefit Funds to be used as per the respective trust deeds.

### *Amendments to the Statistical Returns Act 1896*

The main policy objectives are achieved by facilitating the collection of information for secondary or incidental purposes such as the development of updated, efficient (enabled by pre-approach correspondence) and effective (up to date geographic coverage) sampling frames to conduct official statistical surveys such as the QLFS.

### **Alternative method of achieving policy objectives**

The policy objectives can only be achieved by legislative enactment.

### **Estimated cost for Government implementation**

Implementation costs for the revenue measures are not expected to be significant. These relate to client education activities, changes in publications, documents, website and systems, staff training and managing enquiries through the implementation period.

Any expenditure associated with implementation of the casino tax amendments and amendments to the *Statistical Returns Act 1896* will be met through existing budget allocations.

### **Consistency with Fundamental Legislative Principles**

Provisions in the Bill related to the revenue legislation and Statistical Returns Act do not raise any fundamental legislative principle issues.

The decision to implement an alternative legislative approach to tax increases (the unilateral increase in the casino tax rates) may be considered inconsistent with fundamental legislative principles in that it will adversely affect existing rights of the counterparties to the respective Casino Agreements to withhold their consent to any change in tax rates as currently provided in each of the Casino Agreements. This has the risk of exposing the State to a claim for damages by the counterparties to the respective Casino Agreements.

Therefore, to reduce the risk of any such claims, an amendment has been made to exclude any right to compensation by affected parties. However, this also could be considered inconsistent with fundamental legislative principles.

The proposed amendments can be supported on the basis of the principle that one cannot fetter the right of Parliament to legislate. This is particularly relevant in the context of Parliament's right to set the level of and impose tax rates within its constitutional power. Furthermore, the authority for the Governor in Council to change the casino tax rates by a Regulation already existed. The amendments are designed to ensure that such a change cannot be challenged based on provisions in Casino Agreement Acts or Casino Agreements.

## **Consultation**

Consultation was not undertaken on revenue provisions in the Bill as the measures to which they give effect were publicly announced by Government. In relation to repeal of the *Fuel Subsidy Act 1997*, the Office of State Revenue will liaise with licensees and relevant fuel industry stakeholders on implementation matters.

Consultation regarding the amendments was undertaken with the casino industry including Jupiters Custodian Pty Ltd (Conrad and Jupiter Casino), Breakwater Island Limited (Jupiters Townsville Hotel and Casino), Jupiters Limited (Conrad International Treasury Casino) and Reef Corporate Services Ltd (Reef Casino Cairns).

## **Notes on Provisions**

### **Part 1                      Preliminary**

*Clause 1* cites the short title of the Bill.

*Clause 2* provides when various provisions of the Bill commence.

## **Part 2**                      **Savings and transitional provisions for repeal of Fuel Subsidy Act 1997**

*Clause 3* inserts a definition of *pre-repeal matter* and *repealed Act*.

*Clause 4* applies, for this part, the meaning of words defined in the *Fuel Subsidy Act 1997* immediately before that Act's repeal.

*Clause 5* provides that this part does not limit section 20 of the *Acts Interpretation Act 1954*.

*Clause 6* is a savings provision which supplements the savings provisions of the *Acts Interpretation Act 1954*. The clause ensures that the repealed *Fuel Subsidy Act 1997* continues to apply for rights, privileges and liabilities that would have been acquired, accrued or incurred on or after 1 July 2009 in relation to a pre-repeal matter if the *Fuel Subsidy Act 1997* had not been repealed. This ensures, for instance, that a licensed retailer and bulk end user may, subject to certain time limits, claim a subsidy for fuel sold as retail fuel or used as bulk end user fuel respectively before 1 July 2009 even though the time for claiming is after the *Fuel Subsidy Act 1997's* repeal.

The clause clarifies the operation of the repealed *Fuel Subsidy Act 1997* in relation to diesel used for an off-road purpose on or after 1 July 2009. For instance, if a person bought subsidised diesel from a retailer before 1 July 2009 and uses it for an off-road purpose on or after 1 July 2009, the repayment obligation under section 32 of the repealed Act continues to apply. Also, if a bulk end user used diesel on or after 1 July 2009 for an off-road purpose, the diesel would not be bulk end user fuel under section 8 of the *Fuel Subsidy Act 1997*.

The clause also clarifies that these savings arrangements apply to any statutory instruments in force under the repealed Act immediately before 1 July 2009.

*Clause 7* ensures the continued effective monitoring and enforcement of the repealed Act in relation to pre-repeal matters whether an authorised person is appointed, or an investigation is commenced, before or after the Act's repeal. For instance, an authorized person may exercise the powers under chapter 5 of the repealed *Fuel Subsidy Act 1997* after 1 July 2009

where those powers relate to investigation of an entitlement to subsidy arising before repeal.

*Clause 8* ensures the continued operation of delegation powers in relation to pre-repeal matters, whether the delegation was made before or after repeal of the *Fuel Subsidy Act 1997*.

*Clause 9* ensures that, under section 13 of the repealed Act, only one subsidy is payable for fuel regardless of whether a subsidy for the fuel is received before, on or after 1 July 2009 under the repealed Act or a corresponding law.

*Clause 10* limits the period for claiming a subsidy for fuel sold as retail fuel. A claim must be made by 30 September 2009 or within two years after the fuel was sold as retail fuel, whichever is earlier, otherwise entitlement to the subsidy ends. If a retailer does not lodge a claim for a particular period within the required time, section 23(2) of the repealed Act will not apply to allow the Commissioner to decide the subsidy entitlement for the period as the entitlement is nil under clause 10.

*Clause 11* limits the period for claiming a subsidy for fuel used as bulk end user fuel. A claim, including by lodgment of a return, must be made by 30 September 2009 or within two years after the fuel was used as bulk end user fuel, whichever is earlier, otherwise entitlement to the subsidy ends. If a bulk end user does not lodge a claim for a particular period within the required time, section 34D(2) of the repealed Act will not apply to allow the Commissioner to decide the subsidy entitlement for the period as the entitlement is nil under clause 11.

## **Part 3                      Amendment of Fuel Subsidy Act 1997**

*Clause 12* provides that Part 3 amends the *Fuel Subsidy Act 1997*.

*Clause 13* inserts section 14A to clarify the time at which fuel is used as bulk end user fuel.

*Clause 14* amends section 15 of the *Fuel Subsidy Act 1997* to limit the subsidy entitlement for a fuel retailer to fuel purchased and sold as retail fuel before 1 July 2009.

*Clause 15* amends section 18 of the *Fuel Subsidy Act 1997* by declaring, for the avoidance of doubt, that no provisional subsidy is payable to a fuel retailer for a month starting on or after 1 July 2009.

*Clause 16* amends section 26 of the *Fuel Subsidy Act 1997* to limit a retailer's notification obligation to cases where the retailer ceases, or intends ceasing, operating as a retailer before 1 July 2009.

*Clause 17* amends section 27 of the *Fuel Subsidy Act 1997* to limit a retailer's notification obligation to cases where the retailer ceases, or intends ceasing, operating a retail site before 1 July 2009.

*Clause 18* amends section 33 of the *Fuel Subsidy Act 1997* to limit the subsidy entitlement for a bulk end user to fuel purchased and used a bulk end user fuel before 1 July 2009.

*Clause 19* amends section 42 of the *Fuel Subsidy Act 1997* to require that, before granting a retailer's licence, the Commissioner must be satisfied the applicant will sell retail fuel before 1 July 2009.

## **Part 4                      Repeal of Fuel Subsidy Act 1997**

*Clause 20* repeals the *Fuel Subsidy Act 1997*. As provided by clause 2, repeal is effective on 1 July 2009.

## **Part 5                      Amendment of this Act**

*Clause 21* provides that Part 5 amends the Act.

*Clause 22* amends the short title of this Act.

## **Part 6**                      **Consequential amendments for repeal of Fuel Subsidy Act 1997**

*Clause 23* provides for amendment of the Acts mentioned in the schedule.

## **Part 7**                      **Amendment of Casino Control Act 1982**

*Clause 24* provides that Part 7 amends the *Casino Control Act 1982*.

*Clause 25* inserts new subsection (4A), (4B), (4C) and (4D) into section 51. Subsection (4A) and (4B) provide that a regulation made under subsection 4 may determine a higher percentage of casino gross revenue or premium junket revenue to be paid as tax despite any clause stated in a casino agreement (including clause 73 of the Cairns Casino Agreement) or the *Brisbane Casino Agreement 1992*, *Jupiters Casino Agreement Act 1983*, *Breakwater Island Casino Agreement Act 1984*, and the *Cairns Casino Agreement Act 1993*. Subsection (4C) provides that no compensation is payable by the state to any person should the regulation determine a higher percentage of casino gross revenue or premium junket revenue to be paid as tax. Subsection (4D) allows a regulation to determine different percentages to be paid as tax for different categories of casino gross revenues and premium junket revenues (such as gaming machine gross revenue and non-gaming machine gross revenue).

*Clause 26* inserts a new section 51A to provide for the Minister to pay into the Community Investment Fund a percentage, which will be prescribed in a regulation, of amounts received as casino tax under section 51. These amounts will be administered receipts under the *Financial Administration and Audit Act 1977*.

*Clause 27* amends section 52 to allow for the Casino Community Benefit Fund (which consists of the three individual Casino Community Benefit Funds) to be funded through the Community Investment Fund rather than the Community Benefit Levy. The heading is amended omitting 'Community Benefit Levy' and replacing it with 'Casino Community Benefit Fund'. Subsections (1), (2), (3) and (4) are omitted. A segment of subsection (6) is omitted to remove reference to separate accounts for the

separate casino levies. Subsection (8) is omitted and replaced with a subsection that provides that the Minister must apportion the amounts received from the Community Investment Fund for the Casino Community Benefit Fund between each casino licence. The wording in Subsection (9) is amended so that the amounts apportioned for the Casino Benefit Fund shall be the subject of the creation and operation of a trust deed appointing trustees and containing provisions, relating to expenditure of such amount for the benefit of the community, approved by the Governor in Council. A segment of the example in subsection 12 is omitted to remove reference to levies. Due to the omission of the first four subsections, all subsections are renumbered.

*Clause 28* omits section 53A as it relates to the Casino Community Benefit Levy, which no longer exists.

*Clause 29* amends section 55(1) to remove reference to the Casino Community Benefit Levy.

*Clause 30* inserts a new part 11, division 7 Transitional provisions for Fuel Subsidy Repeal and Revenue and Other Legislation Amendment Act 2009. Section 145 provides for new definitions for *amending Act*, *commencement* and *previous*. Section 146 provides for a casino community benefit levy to be payable in relation to a casino licence on or before 7 July 2009 under the previous section 52, in relation to the total of the casino gross revenue and premium junket revenue for the casino for June 2009 despite the amendment of section 52. New section 147 provides that an amount is not payable into the community investment fund established under section 134(1) of the *Gaming Machine Act 1991* in relation to amounts received under section 51 by way of casino tax for June 2009, despite section 51A(1).

## **Part 8                      Amendment of Duties Act 2001**

*Clause 31* provides that Part 8 amends the *Duties Act 2001*.

*Clause 32* inserts a new chapter 17, part 12. New section 613 makes transitional provisions for amendments concerning the home concession and first home concession. Subsection (1) provides that certain home concession and first home concession provisions and provisions relating to reassessments involving home concessions and first home concessions (the relevant provisions), as in force on 1 July 2009, apply to dutiable

transactions only if liability for transfer duty arises on or after 1 July 2009. Subsection (2) is an anti-avoidance provision which provides that the relevant provisions in force immediately before 1 July 2009 continue to apply to certain transfers, or agreements for the transfer, of vacant land made on or after 1 July 2009.

*Clause 33* amends Schedule 4B of the *Duties Act 2001*, which prescribes the amount of the first home vacant land concession for transfer duty, to replace existing concession amounts with new amounts in Schedule 4B commencing 1 July 2009.

## **Part 9                      Amendment of First Home Owner Grant Act 2000**

*Clause 34* provides that Part 9 amends the *First Home Owner Grant Act 2000*.

*Clause 35* inserts a new section 25AA which provides definitions of “period 1 transaction”, “period 2 transaction” and “period 3 transaction”. They relate to eligible transactions that commence during different periods of time and are relevant for determining the prescribed completion date for the eligible transaction and the amount of the grant.

*Clause 36* amends section 25B to extend the period within which special eligible transactions may occur and to alter the completion date in certain cases.

*Clause 37* amends section 25C to specify the amount of the grant for period 1, period 2 and period 3 transactions relating to new homes and established homes.

*Clause 38* amends the schedule (Dictionary) to make reference to the definitions of “period 1 transaction”, “period 2 transaction” and “period 3 transaction” contained in new section 25AA.

## **Part 10                      Amendment of Gaming Machine Act 1991**

*Clause 39* provides that Part 10 amends the *Gaming Machine Act 1991*.

*Clause 40* amends section 322(5) by inserting a new paragraph which provides that the Minister may cause amounts to be paid out of the Community Investment Fund for the Casino Community Benefit Fund which is continued in existence under the *Casino Control Act 1982*.

## **Part 11                      Amendment of Land Tax Act 1915**

*Clause 41* provides that Part 11 amends the *Land Tax Act 1915*.

*Clause 42* replaces section 62 of the *Land Tax Act 1915* with a new section 62 which provides that the *Land Tax Act 1915* as amended by Part 11 of the Bill applies to land tax levied for a financial year starting on or after 1 July 2009.

*Clause 43* replaces Schedules 1 and 2 of the *Land Tax Act 1915* with new schedules of rates for particular individuals and for a company, absentee or trustee.

## **Part 12                      Amendment of Pay-roll Tax Act 1971**

*Clause 44* provides that Part 12 amends the *Pay-roll Tax Act 1971*.

*Clause 45* inserts new Subdivision 3, comprising new section 27A, in Part 2 Division 3 of the *Pay-roll Tax Act 1971*. This new subdivision and new Part 2 Division 4 Subdivision 3, Part 2 Division 5 Subdivision 3 and Part 2 Division 6A implements the provision of a rebate of tax for the 2009-10 financial year to employers who employ apprentices and trainees.

Section 27A sets out how the rebate for a periodic liability is worked out and provides that an employer's or designated group employer's (DGE's) periodic liability for payroll tax for a periodic return period in the financial year ending 30 June 2010 is reduced by the amount of the rebate. The rebate is the lesser of the employer's or DGE's periodic liability for the periodic return period or an amount worked out by applying the payroll tax rate to 25 per cent of the amount of wages exempt under section 14(2)(j) of the *Pay-roll Tax Act 1971* that are paid or payable during the periodic return period in the financial year ending 30 June 2010. An employer or DGE may only receive the benefit of the rebate to the extent of its own periodic liability for the periodic return period.

*Clause 46* inserts new Subdivision 3, comprising new section 35A, in Part 2 Division 4 of the *Pay-roll Tax Act 1971*. Section 35A sets out how the rebate for an annual payroll tax amount is worked out and provides that an employer's or DGE's annual payroll tax amount for the financial year ending 30 June 2010 is reduced by the amount of the rebate. The rebate is the lesser of the employer's or DGE's annual payroll tax amount for the year or an amount worked out by applying the payroll tax rate to 25 per cent of the amount of wages exempt under section 14(2)(j) of the *Pay-roll Tax Act 1971* that are paid or payable during the financial year ending 30 June 2010. An employer or DGE may only receive the benefit of the rebate to the extent of its own annual payroll tax amount for the year. However, if the employer is a DGE or a member of a group, new Part 2 Subdivision 6A provides for the sharing of any excess rebate with other group members on certain conditions.

*Clause 47* inserts new Subdivision 3, comprising new section 43A, in Part 2 Division 5 of the *Pay-roll Tax Act 1971*. Section 43A sets out how the rebate for a final payroll tax amount is worked out and provides that an employer's or DGE's final payroll tax amount for the financial year ending 30 June 2010 is reduced by the amount of the rebate. The rebate is the lesser of the employer's or DGE's final payroll tax amount for the year or an amount worked out by applying the payroll tax rate to 25 per cent of the amount of wages exempt under section 14(2)(j) of the *Pay-roll Tax Act 1971* that are paid or payable during a final period in the financial year ending 30 June 2010. An employer or DGE may only receive the benefit of a rebate to the extent of its own final payroll tax amount for the year. If the employer is a DGE or a member of a group, new Part 2 Subdivision 6A provides for the sharing of any excess rebate with other group members on certain conditions.

*Clause 48* inserts new Division 6A, comprising new sections 49A to 49F, in Part 2 of the *Pay-roll Tax Act 1971*.

Section 49A defines terms used in Part 2 Division 6A relating to sharing of any excess rebate by group members.

Section 49B defines excess rebate.

Section 49C allows the DGE to nominate the group members who should share in any excess rebate and the order in which they are to share.

Section 49D allows the Commissioner to decide which group members should share the excess rebate and the order in which they should share, where the DGE does not make a nomination under section 49C.

Section 49E provides for assessment of the annual liability of the entitled group members so as to allow those group members to share in an excess rebate in relation to another group member's annual or final liability. The annual liability of an entitled group member is then worked out by deducting the excess rebate from the group member's annual payroll tax amount for the financial year ending 30 June 2010. However, an entitled group member is only able to receive the benefit of any excess rebate to the extent of its own annual payroll tax amount for the year.

Section 49F applies where the group ceases to exist during the financial year ending 30 June 2010. The section provides for assessment of the final liability of the entitled group members to allow those group members to share in an excess rebate in relation to another group member's final liability. The final liability of an entitled group member is then worked out by deducting the excess rebate from the group member's final payroll tax amount for the financial year ending 30 June 2010. However, an entitled group member is only able to receive the benefit of any excess rebate to the extent of its own final payroll tax amount for the year.

## **Part 13                      Amendment of Revenue and Other Legislation Amendment Act (No. 2) 2008**

*Clause 49* provides that Part 13 amends the *Revenue and Other Legislation Amendment Act (No.2) 2008*.

*Clause 50* amends section 2(9) to change the commencement date for provisions relating to the \$1 million cap on the value of homes to 1 January 2010.

*Clause 51* amends section 54 which inserts a new transitional section 73 into the *First Home Owner Grant Act 2000* with a commencement date of 1 July 2009. Section 54 is amended to provide a new commencement date of 1 January 2010.

## **Part 14                      Amendment of Statistical Returns Act 1896**

*Clause 52* provides that Part 14 amends the *Statistical Returns act 1896*.

*Clause 53* inserts new subsections (5), (6) and (7) into section 4. Subsection (5) provides that the government statistician may collect information, whether administered verbally, electronically or in writing. Subsection (6) provides that the government statistician may collect incidental information relating to the collection and publication of statistics, in particular, information to prepare a sampling frame. Subsection (7) defines the term *sampling frame*. “Sampling frame” refers to a set of items or events which can be measured (typically, a comprehensive list of people, businesses or organisations, including addresses and other contact information) from which a sample can be selected and processed for the collection of statistics.

*Clause 54* amends section 6 to add further confidentiality provisions relating to persons engaged in collecting information under section 4.

## **Schedule                      Consequential amendments for repeal of Fuel Subsidy Act 1997**

The Schedule provides for consequential amendment of various Acts as a result of the repeal of the *Fuel Subsidy Act 1997*.

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