STATE AND TERRITORY TREASURERS AGREE TO HISTORIC PAYROLL TAX REFORM

Michael Costa MLC NSW Treasurer
Syd Stirling MLA NT Treasurer
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Jon Stanhope MLA ACT Treasurer
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The first ever major national overhaul of payroll tax arrangements has been agreed to by State and Territory Treasurers in a meeting in Canberra.

The reforms address eight important areas of the payroll tax system and will simplify and harmonise provisions across the country cutting red tape for thousands of Australian businesses.

States have agreed to adopt common provisions and definitions for:

- Timing of lodgement
- Motor vehicle allowances
- Accommodation allowances
- A range of Fringe Benefits
- Work performed outside a jurisdiction
- Employee share acquisition schemes
- Superannuation contributions for non-working directors
- Grouping of business

States and Territories will retain control over individual rates and thresholds.

The new arrangements will apply by no later than 1 July 2008 in all States and Territories.

The outcome of this afternoon’s meeting demonstrates the commitment of States and Territories to real tax reform in the national interest.

This new approach to payroll tax will streamline administration for businesses that operate in more than one jurisdiction.
In addition, those businesses that operate in just one jurisdiction will also benefit from reduced red tape and lower compliance costs.

All businesses stand to benefit from these reforms.

Building on today’s historic reforms, all jurisdictions have agreed to move towards the adoption of a range of arrangements recently agreed to between NSW, Victoria and Tasmania.

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