



Queensland

*Payroll Tax Act 1971*

# Payroll Tax (Transitional) Regulation 2022

**Current as at 1 January 2023**

## **Reprint note**

This is the last reprint before repeal. Repealed on 1 July 2023 by 1971 Act No. 37 s 148.

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Queensland

# Payroll Tax (Transitional) Regulation 2022

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# Payroll Tax (Transitional) Regulation 2022

## Part 1 Preliminary

### 1 Short title

This regulation may be cited as the *Payroll Tax (Transitional) Regulation 2022*.

### 2 Commencement

This regulation commences on 1 January 2023.

### 3 Declaration that regulation is a transitional regulation—Act, s 148

This regulation is a transitional regulation.

*Note—*

Under section 148 of the Act, this regulation expires on 1 January 2024.

### 4 Definitions

In this regulation—

*first half*, of the transitional financial year, means the period starting on 1 July 2022 and ending on 31 December 2022.

*second half*, of the transitional financial year, means the period starting on 1 January 2023 and ending on 30 June 2023.

*transitional financial year* means the financial year ending on 30 June 2023.

## Part 2 Working out payroll tax for transitional financial year

### 5 Working out fixed periodic deductions for transitional financial year

- (1) This section applies for working out a fixed periodic deduction under section 17 or 23 of the Act for the transitional financial year.
- (2) A calculation day under sections 18 and 24 of the Act is taken to include 1 January in that year.

### 6 Working out annual deduction for transitional financial year—employer other than the DGE for a group

- (1) This section applies to an employer—
  - (a) who is required, under section 63 of the Act, to lodge an annual return for the transitional financial year; and
  - (b) who is not the DGE for a group on 30 June 2023.
- (2) Despite section 29 of the Act, definition *annual deduction*, the annual deduction for the employer for the transitional financial year is the greater of zero and the amount worked out by adding the deduction (first half) and deduction (second half) for the employer.
- (3) For subsection (2), the employer's *deduction (first half)* is the amount worked out using the following formula—

$$D_1 = \frac{AW_1}{AW_1 + IW_1} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{4} \left( AW_1 + IW_1 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

**A** means the number of days in the first half of the transitional financial year for which the employer pays, or is liable to pay, wages, other than foreign wages.

**AW<sub>1</sub>** means the amount of the employer's annual wages that are paid or payable for the first half of the transitional financial year.

**B** means the number of days in the second half of the transitional financial year for which the employer pays, or is liable to pay, wages, other than foreign wages.

**C** means the number of days in the transitional financial year.

**D<sub>1</sub>** means the employer's deduction (first half) in dollars.

**IW<sub>1</sub>** means the amount of interstate wages paid or payable by the employer for the first half of the transitional financial year.

**K** means 1,300,000.

**X** see subsection (5).

- (4) Also, for subsection (2), the employer's **deduction (second half)** is the amount worked out using the following formula—

$$D_2 = \frac{AW_2}{AW_2 + IW_2} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{7} \left( AW_2 + IW_2 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

**A** means the number of days in the first half of the transitional financial year for which the employer pays, or is liable to pay, wages, other than foreign wages.

**AW<sub>2</sub>** means the amount of the employer's annual wages that are paid or payable for the second half of the transitional financial year.

**B** means the number of days in the second half of the transitional financial year for which the employer pays, or is liable to pay, wages, other than foreign wages.

*C* means the number of days in the transitional financial year.

*D*<sub>2</sub> means the employer's deduction (second half) in dollars.

*IW*<sub>2</sub> means the amount of interstate wages paid or payable by the employer for the second half of the transitional financial year.

*K* means 1,300,000.

*X* see subsection (5).

- (5) For subsections (3) and (4), the amount for *X* is to be worked out using the following formula—

$$X = \frac{AW_{\text{half}} + IW_{\text{half}}}{AW + IW}$$

where—

*AW* means the amount of the employer's annual wages for the transitional financial year.

*AW*<sub>half</sub> means the amount of annual wages paid or payable by the employer—

- (a) in relation to the deduction (first half)—for the first half of the transitional financial year; or
- (b) in relation to the deduction (second half)—for the second half of the transitional financial year.

*IW* means the amount of interstate wages paid or payable by the employer for the transitional financial year.

*IW*<sub>half</sub> means the amount of interstate wages paid or payable by the employer—

- (a) in relation to the deduction (first half)—for the first half of the transitional financial year; or
- (b) in relation to the deduction (second half)—for the second half of the transitional financial year.

- (6) In this section—

*annual wages* see section 29(1) of the Act.

## 7 Working out annual deduction for transitional financial year—DGE for a group

- (1) This section applies to an employer if on 30 June 2023 the employer is the DGE for a group.
- (2) Despite section 33 of the Act, definition *annual deduction*, the annual deduction for the DGE for the transitional financial year is the greater of zero and the amount worked out by adding the deduction (first half) and deduction (second half) for the DGE.
- (3) For subsection (2), the DGE's *deduction (first half)* is the amount worked out using the following formula—

$$D_1 = \frac{TW_1}{TW_1 + IW_1} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{4} \left( TW_1 + IW_1 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

**A** means the number of days in the designated period for the DGE—

- (a) that are in the first half of the transitional financial year, whether or not wholly or partly concurrent; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages, or taxable wages and interstate wages.

**B** means the number of days in the designated period for the DGE—

- (a) that are in the second half of the transitional financial year, whether or not wholly or partly concurrent; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages

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or interstate wages, or taxable wages and interstate wages.

*C* means the number of days in the transitional financial year.

*D<sub>1</sub>* means the DGE's deduction (first half) in dollars.

*IW<sub>1</sub>* means the amount of interstate wages paid or payable for the part of the designated period for the DGE occurring in the first half of the transitional financial year by each relevant group employer as a member of the group.

*K* means 1,300,000.

*TW<sub>1</sub>* means the amount of taxable wages paid or payable for the part of the designated period for the DGE occurring in the first half of the transitional financial year by each relevant group employer as a member of the group.

*X* see subsection (5).

- (4) For subsection (2), the DGE's *deduction (second half)* is the amount worked out using the following formula—

$$D_2 = \frac{TW_2}{TW_2 + IW_2} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{7} \left( TW_2 + IW_2 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

*A* means the number of days in the designated period for the DGE—

- (a) that are in the first half of the transitional financial year, whether or not wholly or partly concurrent; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages, or taxable wages and interstate wages.

*B* means the number of days in the designated period for the DGE—

- (a) that are in the second half of the transitional financial year, whether or not wholly or partly concurrent; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages, or taxable wages and interstate wages.

*C* means the number of days in the transitional financial year.

*D*<sub>2</sub> means the DGE's deduction (second half) in dollars.

*IW*<sub>2</sub> means the amount of interstate wages paid or payable for the part of the designated period for the DGE occurring in the second half of the transitional financial year by each relevant group employer as a member of the group.

*K* means 1,300,000.

*TW*<sub>2</sub> means the amount of taxable wages paid or payable for the part of the designated period for the DGE occurring in the second half of the transitional financial year by each relevant group employer as a member of the group.

*X* see subsection (5).

- (5) For subsections (3) and (4), the amount for *X* is to be worked out using the following formula—

$$X = \frac{TW_{\text{half}} + IW_{\text{half}}}{TW + IW}$$

where—

*IW* means the amount of interstate wages paid or payable by each relevant group employer as a member of the group during the designated period for the DGE.

*IW*<sub>half</sub> means the amount of interstate wages paid or payable by each relevant group employer as a member of the group—

- (a) in relation to the deduction (first half)—for the part of the designated period for the DGE occurring in the first half of the transitional financial year; or
- (b) in relation to the deduction (second half)—for the part of the designated period for the DGE occurring in the second half of the transitional financial year.

*TW* means the amount of taxable wages paid or payable by each relevant group employer as a member of the group during the designated period for the DGE.

*TW<sub>half</sub>* means the amount of taxable wages paid or payable by each relevant group employer as a member of the group —

- (a) in relation to the deduction (first half)—for the part of the designated period for the DGE occurring in the first half of the transitional financial year; or
  - (b) in relation to the deduction (second half)—for the part of the designated period for the DGE occurring in the second half of the transitional financial year.
- (6) In this section—

*relevant group employer*, for the designated period for the DGE for a group in the transitional financial year, means an employer who was a member of the group for all or part of the designated period.

## **8 Working out final deduction for transitional financial year—employer other than the DGE for a group**

- (1) This section applies to an employer if—
  - (a) the employer is required, under section 64 of the Act, to lodge a final return for a final period; and
  - (b) the employer is not the DGE for a group on the last day of the final period; and
  - (c) all or part of the final period occurs in the second half of the transitional financial year.

- (2) Despite section 37 of the Act, definition *final deduction*, the final deduction for the employer for the final period is the greater of zero and the amount worked out by adding the deduction (first half) and deduction (second half) for the employer.
- (3) For subsection (2), the employer's *deduction (first half)* is the amount worked out using the following formula—

$$D_1 = \frac{FW_1}{FW_1 + IW_1} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{4} \left( FW_1 + IW_1 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

*A* means the number of days in the part of the final period occurring in the first half of the transitional financial year for which the employer pays, or is liable to pay, wages.

*B* means the number of days in the part of the final period occurring in the second half of the transitional financial year for which the employer pays, or is liable to pay, wages.

*C* means the number of days in the transitional financial year.

*D<sub>1</sub>* means the employer's deduction (first half) in dollars.

*FW<sub>1</sub>* means the amount of the employer's final wages that are paid or payable for the part of the final period occurring in the first half of the transitional financial year.

*IW<sub>1</sub>* means the amount of interstate wages paid or payable by the employer for the part of the final period occurring in the first half of the transitional financial year.

*K* means 1,300,000.

*X* see subsection (5).

- (4) Also, for subsection (2), the employer's *deduction (second half)* is the amount worked out using the following formula—

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$$D_2 = \frac{FW_2}{FW_2 + IW_2} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{7} \left( FW_2 + IW_2 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

*A* means the number of days in the part of the final period occurring in the first half of the transitional financial year for which the employer pays, or is liable to pay, wages.

*B* means the number of days in the part of the final period occurring in the second half of the transitional financial year for which the employer pays, or is liable to pay, wages.

*C* means the number of days in the transitional financial year.

*D*<sub>2</sub> means the employer's deduction (second half) in dollars.

*FW*<sub>2</sub> means the amount of the employer's final wages that are paid or payable for the part of the final period occurring in the second half of the transitional financial year.

*IW*<sub>2</sub> means the amount of interstate wages paid or payable by the employer for the part of the final period occurring in the second half of the transitional financial year.

*K* means 1,300,000.

*X* see subsection (5).

- (5) For subsections (3) and (4), the amount for *X* is to be worked out using the following formula—

$$X = \frac{FW_{\text{half}} + IW_{\text{half}}}{FW + IW}$$

where—

*FW* means the amount of the employer's final wages for the final period.

*FW*<sub>half</sub> means the amount of final wages paid or payable by the employer—

- (a) in relation to the deduction (first half)—for the part of the final period occurring in the first half of the transitional financial year; or
- (b) in relation to the deduction (second half)—for the part of the final period occurring in the second half of the transitional financial year.

*IW* means the amount of interstate wages paid or payable by the employer for the final period.

*IW<sub>half</sub>* means the amount of interstate wages paid or payable by the employer—

- (a) in relation to the deduction (first half)—for the part of the final period occurring in the first half of the transitional financial year; or
- (b) in relation to the deduction (second half)—for the part of the final period occurring in the second half of the transitional financial year.

(6) In this section—

*final wages* see section 37 of the Act.

*wages* does not include foreign wages.

## **9 Working out final deduction for transitional financial year—DGE for a group**

- (1) This section applies to an employer if—
  - (a) on the last day of a final period, the employer is the DGE for a group; and
  - (b) all or part of the final period occurs in the second half of the transitional financial year.
- (2) Despite section 41 of the Act, definition *final deduction*, the final deduction for the DGE for the final period is the greater of zero and the amount worked out by adding the deduction (first half) and deduction (second half) for the DGE.

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- (3) For subsection (2), the DGE's *deduction (first half)* is the amount worked out using the following formula—

$$D_1 = \frac{TW_1}{TW_1 + IW_1} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{4} \left( TW_1 + IW_1 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

*A* means the number of days—

- (a) that are in the part of the final period occurring in the first half of the transitional financial year; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages, or taxable wages and interstate wages.

*B* means the number of days—

- (a) that are in the part of the final period occurring in the second half of the transitional financial year; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages, or taxable wages and interstate wages.

*C* means the number of days in the transitional financial year.

*D<sub>1</sub>* means the DGE's deduction (first half) in dollars.

*IW<sub>1</sub>* means the amount of interstate wages paid or payable for the part of the final period occurring in the first half of the transitional financial year by each relevant group employer as a member of the group.

*K* means 1,300,000.

*TW<sub>1</sub>* means the amount of taxable wages paid or payable for the part of the final period occurring in the first half of the transitional financial year by each relevant group employer as a member of the group.

$X$  see subsection (5).

- (4) Also, for subsection (2), the DGE's *deduction (second half)* is the amount worked out using the following formula—

$$D_2 = \frac{TW_2}{TW_2 + IW_2} \left( \left( \frac{K(A+B)}{C} \times X \right) - \frac{1}{7} \left( TW_2 + IW_2 - \left( \frac{K(A+B)}{C} \times X \right) \right) \right)$$

where—

$A$  means the number of days—

- (a) that are in the part of the final period occurring in the first half of the transitional financial year; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages, or taxable wages and interstate wages.

$B$  means the number of days—

- (a) that are in the part of the final period occurring in the second half of the transitional financial year; and
- (b) for which 1 or more relevant group employers pay, or are liable to pay, as members of the group taxable wages or interstate wages, or taxable wages and interstate wages.

$C$  means the number of days in the transitional financial year.

$D_2$  means the DGE's deduction (second half) in dollars.

$IW_2$  means the amount of interstate wages paid or payable for the part of the final period occurring in the second half of the transitional financial year by each relevant group employer as a member of the group.

$K$  means 1,300,000.

$TW_2$  means the amount of taxable wages paid or payable for the part of the final period occurring in the second half of the

transitional financial year by each relevant group employer as a member of the group.

*X* see subsection (5).

- (5) For subsections (3) and (4), the amount for *X* is to be worked out using the following formula—

$$X = \frac{TW_{\text{half}} + IW_{\text{half}}}{TW + IW}$$

where—

*IW* means the amount of interstate wages paid or payable for the final period by each relevant group employer as a member of the group.

*IW*<sub>half</sub> means the amount of interstate wages paid or payable by each relevant group employer as a member of the group—

- (a) in relation to the deduction (first half)—for the part of the final period occurring in the first half of the transitional financial year; or
- (b) in relation to the deduction (second half)—for the part of the final period occurring in the second half of the transitional financial year.

*TW* means the amount of taxable wages paid or payable for the final period by each relevant group employer as a member of the group.

*TW*<sub>half</sub> means the amount of taxable wages paid or payable by each relevant group employer as a member of the group—

- (a) in relation to the deduction (first half)—for the part of the final period occurring in the first half of the transitional financial year; or
- (b) in relation to the deduction (second half)—for the part of the final period occurring in the second half of the transitional financial year.

- (6) In this section—

*relevant group employer*, for a final period for the DGE for a group, means an employer who was a member of the group for all or part of the final period.

## Part 3                      Miscellaneous

### 10      **Additional information required for particular annual returns**

- (1) This section applies in relation to an annual return for the transitional financial year if a provision under part 2 applies for working out the annual deduction for the taxable wages the subject of the annual return.
- (2) In addition to the requirements under section 63(3) of the Act, the return must also state—
  - (a) if the employer is the DGE for a group—the wages that were paid or payable by each relevant group employer as a member of the group for the part of the designated period for the DGE occurring in the second half of the transitional financial year; or
  - (b) for another employer—the wages that were paid or payable by the employer for the second half of the transitional financial year, other than wages that were included, or required to be included, in a final return for a final period for the employer during the financial year.
- (3) In this section—

*relevant group employer*, for the designated period for the DGE for a group in the transitional financial year, means an employer who was a member of the group for all or part of the designated period.

## 11 Additional information required for particular final returns

- (1) This section applies in relation to a final return for the transitional financial year if a provision under part 2 applies for working out the final deduction for taxable wages the subject of the final return.
- (2) In addition to the requirements under section 64(3) of the Act, the return must also state—
  - (a) if the employer is the DGE for a group—the wages that were paid or payable by each relevant group employer as a member of the group for the part of the final period occurring in the second half of the transitional financial year; or
  - (b) for another employer—the wages that were paid or payable by the employer for the part of the final period occurring in the second half of the transitional financial year.
- (3) In this section—

***relevant group employer***, for a final period for the DGE for a group, means an employer who was a member of the group for all or part of the final period.

## 12 Saving of operation of regulation

This regulation is declared to be a law to which the *Acts Interpretation Act 1954*, section 20A applies.