

REVENUE LAWS AMENDMENT BILL 2012

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Simon O'Brien (Minister for Finance)**, read a first time.

Second Reading

HON SIMON O'BRIEN (South Metropolitan — Minister for Finance) [8.48 pm]: I move —

That the bill be now read a second time.

This bill includes amendments to introduce the payroll tax exemption announced in the 2012–13 budget for wages paid in the first two years of employment to new employees with a disability. This exemption will apply to businesses that on or after 1 July 2012 hire new employees with a disability for whom they receive a wages subsidy under the commonwealth government's Disability Employment Services program, or who is eligible for any form of support from the Western Australian Disability Services Commission. Consistent with the disability employment services wages subsidy, eligibility for the exemption will be restricted to new employees who have not previously been employed by the employer, or group of employers, and who are employed in accordance with a binding award or other industrial agreement.

To ensure that this measure does not displace existing workers, the bill provides that an employer will not be entitled to the payroll tax exemption if they have dismissed or reduced the working hours of an existing employee in anticipation or as a consequence of employing a new employee with a disability. As this exemption is intended to operate from 1 July 2012 and that date has now passed, the government has pre-enacted the relevant exemption provisions using the powers contained in the Taxation Administration Act 2003. The Taxation Administration (Pre-enactment Provisions Determination) Notice 2012 came into force on 19 June 2012. The bill also seeks to make a number of minor amendments to the Duties Act 2008, the Pay-roll Tax Assessment Act 2002, the Land Tax Assessment Act 2002 and the First Home Owner Grant Act 2000.

Due to the large number of amendments in the bill, I intend today to speak only in general terms about reasons for the amendments. However, in doing so, I would like to refer members to the comprehensive explanation of each of the amendments that is contained in the explanatory memorandum associated with this bill.

As I turn firstly to the Duties Act amendments, I note that this bill includes a reasonable number of what are best described as minor technical changes. Members may recall that the Stamp Act 1921 was replaced by the Duties Act from 1 July 2008. The new Duties Act incorporated several conceptual changes as part of the new duties regime, including a shift in the transfer duty base from documents to transactions and the introduction of the landholder regime to tax indirect transfers of land. The transition from the Stamp Act to the Duties Act has occurred with no major problems or inadequacies arising. However, a number of minor areas have been identified in which the act does not operate as intended or slight wording nuances have been interpreted to provide unintended outcomes. The amendments in this bill aim to rectify these issues. To ensure that taxpayers are not disadvantaged by the non-availability of an exemption or concession, several of these changes have been made retrospective to 1 July 2008, being the date the Duties Act commenced.

This bill also includes minor amendments to the grouping provisions of the Pay-roll Tax Assessment Act to further increase the level of consistency with the arrangements operating in other jurisdictions. This builds on changes the Parliament enacted in 2010 to harmonise certain aspects of the grouping provisions with other jurisdictions with effect from 1 July 2012. Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party, nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

The bill also seeks to amend the Pay-roll Tax Assessment Act to allow for a regulation to apply retrospectively when the regulation will not adversely affect a person liable to pay payroll tax. This power has been inserted as a mechanism to ensure that proposed changes to the commonwealth's tax treatment of living away from home allowances can be accommodated in the payroll tax legislation from 1 July 2012 if it is necessary to do so. The nature of any required amendments will be determined when the commonwealth releases the detail of its proposed amendments.

In the context of land tax, the bill contains an amendment to the Land Tax Assessment Act to ensure that the capping provisions for land values, which were introduced as part of the 2009–10 budget, continue to apply to a new lot created when land is compulsorily taken or resumed. The bill also contains proposed amendments to the First Home Owner Grant Act to align the objection provisions with similar provisions contained in the Taxation

Administration Act and alter the point at which applicants are required to be Australian citizens or permanent residents for the purposes of determining eligibility for a first home owner grant.

The proposed amendments in this bill have an estimated cost of \$5 million over the four years to 2015–16.

I commend the bill to the house and table a copy of the explanatory memorandum.

[See paper 4812.]

Debate adjourned, pursuant to standing orders.