



New South Wales

Revenue Legislation Amendment Bill 2024

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.
This Bill is cognate with the *Appropriation Bill 2024*.

Overview of Bill

The objects of this Bill are to—

- (a) increase, from 8% to 9%, the surcharge purchaser duty and surcharges on acquisitions payable by foreign persons, and
- (b) enable the Treasurer to make transfers between statutory funds, and
- (c) increase, from 4% to 5%, the rate of surcharge land tax, and
- (d) freeze the tax threshold and premium rate threshold for land tax for years after 2024, and
- (e) provide for an exemption for past payroll tax that remains unpaid if it relates to certain general practitioners, and
- (f) provide for a rebate of payroll tax for employers for the wages of general practitioners who work in a medical centre if the majority of general practitioner services provided through the medical centre are bulk billed.

Outline of provisions

Clause 1 sets out the name, also called the short title, of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Schedule 1 Amendment of Duties Act 1997 No 123

Schedule 1[1] increases the surcharge purchaser duty payable and surcharges on acquisitions payable by foreign persons from 8% to 9%. **Schedule 1[2]** contains transitional provisions, which provide that the increase applies to transactions, allotments, issues and acquisitions that occur on or after the commencement of the proposed Act, except in certain circumstances.

Schedule 2 Amendment of Government Sector Finance Act 2018 No 55

Schedule 2 provides for the definition of *relevant fund* and authorises the Treasurer to make transfers between relevant funds if the Treasurer is satisfied that the transfer promotes the objects of the *Government Sector Finance Act 2018*.

Schedule 3 Amendment of Land Tax Act 1956 No 27

Schedule 3[1]–[3] amend the definitions of *premium rate threshold* and *tax threshold* to refer to the correct provisions of the *Land Tax Management Act 1956*.

Schedule 3[5] provides that, for the taxable value of all residential land owned by a foreign person, the surcharge land tax is to be calculated at the rate of 5% at midnight on 31 December from 2024 onwards. **Schedule 3[4]** makes a consequential amendment.

Schedule 4 Amendment of Land Tax Management Act 1956 No 26

Schedule 4[3] provides that the tax threshold for a land tax year after the 2023 land tax year is \$1,075,000. **Schedule 4[5]** provides that the premium rate threshold for a land tax year after the 2023 land tax year is \$6,571,000. **Schedule 4[1], [2] and [4]** make consequential amendments.

Schedule 4[6] requires the Treasurer to review the tax threshold and the premium rate threshold by 1 June 2027 to determine whether the thresholds continue to be appropriate. A report on the outcome of the review must be tabled in each House of Parliament.

Schedule 5 Amendment of Payroll Tax Act 2007 No 21

Schedule 5[1] inserts proposed Division 2A in the *Payroll Tax Act 2007*, Schedule 2. Proposed clause 10A inserts definitions for certain terms used in the proposed division. Proposed clause 10B provides that wages are *relevant general practitioner wages* if the wages are paid to a general practitioner at a medical centre that bulk bills for most of the general practitioner services provided by the medical centre. The proportion of general practitioner services that must be provided under the bulk billing arrangements at the medical centre is at least 80% for medical centres in Metropolitan Sydney and at least 70% for medical centres located elsewhere.

Relevant general practitioner wages and wages paid to certain other general practitioners at medical centres are exempt from payroll tax if the payroll tax is unpaid and the wages are paid or payable before 4 September 2024. An employer is entitled to a rebate of payroll tax payable for relevant general practitioner wages paid or payable on or after 4 September 2024.

Schedule 5[2] inserts a transitional provision to determine the relevant proportion of general practitioner services that must be provided under bulk billing arrangements when the proposed division applies only for part of a financial year. It also provides that the *Subordinate Legislation Act 1989*, Part 2 does not apply to a regulation made under the *Payroll Tax Act 2007* if the regulation is made after the date of assent to the proposed Act and before 4 September 2024. This is to enable a regulation to be made before 4 September 2024 to define what is meant by Metropolitan Sydney for the purposes of the proposed division.

Schedule 6 Amendment of Taxation Administration Act 1996 No 97

Schedule 6 makes an amendment consequential on the amendments proposed to be made by Schedule 5 to ensure alignment of dates.