

# **Employment Tax Updates**

## **Payroll Tax – De-grouping (NSW)**

Following the decision in *Conrad Linings Pty Limited v Chief Commissioner of State Revenue* [2014] NSWSC 1020 last month, the issue of de-grouping was again brought before the Civil and Administrative Tribunal New South Wales in *Boston Sales and Marketing Pty Limited v Chief Commissioner of State Revenue* [2014] NSWSCATAD 139 and *Lombard Farms Pty Ltd v Chief Commissioner of State Revenue* [2014] NSWSCATAD 132.

In both cases, the Tribunal affirmed the decision of the Chief Commissioner not to

exercise his discretion to de-group certain entities under section 79 of the *Payroll Tax Act 2007*. The Tribunal found that the taxpayers had not adequately discharged their onus to prove that the grouped businesses were carried on independently of each other and were not connected with the carrying on of a business by another group member.

These cases serve as yet another reminder that the onus of proof rests with the taxpayer in respect of de-grouping and they should ensure sufficient evidence is maintained to support their tax position.

## **Payroll Tax Rebate (TAS)**

The Tasmanian Government has introduced Employee Incentive Scheme Payroll tax Rebate 4 to provide employers with payroll tax rebates equivalent to the payroll tax levied on wages paid to eligible new employees between 30 June 2014 and 30 June 2015.

The scheme is an incentive for creating additional positions in Tasmania between 30 June 2014 and 30 June 2015, and maintaining them through to 30 June 2016. The scheme provides a payroll tax rebate of up to two years, and the Government is expecting that the rebate will generate approximately 600 jobs.

## **Let's talk**

For a deeper discussion of how the above employment tax issues might affect your business, please contact:

Greg Kent, Melbourne  
+61 (3) 8603 3149  
[greg.kent@au.pwc.com](mailto:greg.kent@au.pwc.com)

Ross Thorpe, Perth  
+61 (8) 9238 3117  
[ross.thorpe@au.pwc.com](mailto:ross.thorpe@au.pwc.com)

Paula Shannon, Brisbane  
+61 (7) 3257 5751  
[paula.shannon@au.pwc.com](mailto:paula.shannon@au.pwc.com)

Maria Ravese, Adelaide  
+61 (8) 8218 7494  
[maria.a.ravese@au.pwc.com](mailto:maria.a.ravese@au.pwc.com)

Rohan Geddes, Sydney  
+61 (2) 8266 7261  
[rohan.geddes@au.pwc.com](mailto:rohan.geddes@au.pwc.com)