

REVENUE LEGISLATION FURTHER AMENDMENT BILL 2024

STATEMENT OF PUBLIC INTEREST

Need: Why is the policy needed based on factual evidence and stakeholder input?

State revenue legislation requires regular revision to:

- Ensure that tax concessions and exemptions are delivered fairly and in accordance with the legislative intention;
- Strengthen compliance; and
- Clarify and update aspects of legislation and remove ambiguity.

This Bill addresses issues identified through Revenue NSW's administration of the legislation, and feedback from taxpayers and professionals.

Objectives: What is the policy's objective couched in terms of the public interest?

The Bill includes a range of initiatives that will:

- ensure that tax concessions and exemptions are delivered in accordance with the intentions of the legislation,
- reduce red tape for businesses and individuals, and
- improve efficiency in administration across taxes and fines.

Options: What alternative policies and mechanisms were considered in advance of the bill?

Maintenance of the State's revenue legislation can only be achieved through legislative amendment.

Analysis: What were the pros/cons and benefits/costs of each option considered?

The State's taxation amendments are necessary to address certain inconsistencies and uncertainties in the State's taxation system, and to strengthen compliance.

Pathway: What are the timetable and steps for the policy's rollout and who will administer it?

Most amendments will commence on assent, except for:

- the *Duties Act 1997* amendment to broaden the definition of qualified investors to include wholly owned subsidiaries and specify statutory bodies - this will commence retrospectively on 1 February 2024 to align with the commencement of the landholder duty amendments made as part of the 2023/24 Budget.
- the *Payroll Tax Act 2007* amendment to broaden the calculation of whether a medical centre meets certain thresholds to be eligible for a payroll tax rebate to include general practitioner services provided to veterans - this will commence retrospectively on 4 September 2024 to align with the commencement of the rebate.

The retrospective commencement of these amendments is to the benefit of taxpayers by enabling them to qualify for the relevant tax benefit from the outset.

Revenue NSW will administer all changes.