

Fallout from the NT Budget

Following is a summary of changes to Northern Territory taxation and revenue laws which were announced in the 1992 budget and which have now received assent.

From 14 August 1992 a **license to sell tobacco products** was increased from 50 per cent to 60 per cent of tobacco purchased for sale by retail.

The **Energy Resources Consumption Levy** has been imposed on users of fuel who consume in excess of 10 million litres in a 12 month period. The levy will increase from \$1 to \$2 per 1000 litres of fuel consumed.

Persons registered under the Act incurred the increased rate on fuel consumed on and after 1 September 1992, with the first payment at the new rate being due in their return for September which is required to be lodged with the Commissioner of Taxation by 15 October.

Financial Institutions Duty will rise from five cents per \$100 to six cents per \$100 with effect from 1 November.

Additionally, amendments have been made to the **Financial Institution Duty Regulations** to increase the duty payable on a single receipt from \$1200 for a receipt of more than \$2,400,000 to \$1500 for a receipt of more than \$2,500,000.

These changes will apply to amounts received on and after 1 November and registered financial institutions will make the first payments at the increased rates in their monthly return for November which is due by 21 December.

The following **Payroll Tax** alterations will apply to wages paid or payable on and after 1 November 1992: (1) an increase in the **General Exemption** deduction to \$500,000 per annum in lieu of the present \$400,000 per annum. This has resulted in the amendment of several requirements. (a) an employer who is not currently registered with the Commission to pay payroll tax will not have to register until wages exceed \$9,500 per week; (b) an employer registered to pay tax by return (or one required to be registered) who is not a member of a group and who doesn't pay wages outside the NT will not be required to pay tax in respect of a month where wages paid or payable in the NT do not exceed \$41,666.66. Where wages exceed \$41,666.66 but do not exceed \$104,166.66 per month, a tapered deduction will apply. (c) An annual reconciliation is required for each registered employer for the financial year ended 30 June 1993, the Commissioner requires all registered employers to remain registered until at least the end of the financial year. Any registered employer who expects wages not to exceed the new threshold may elect to lodge a single return of wages for the period 1/11/92 to 30/6/93 rather than continue to lodge monthly returns. From 1/7/93, registration of those employers whose payroll will not exceed the threshold will be cancelled. Re-registration will be required if wages exceed the threshold.

(2) A new rate of seven per cent of

tax will apply to NT wages of a registered employer where the Australia-wide wages of the employer or the group of which the employer is a member exceed \$10 million per annum.

(3) The provisions of the Act dealing with **annual reconciliations** of wages and payroll tax paid have been amended so that the reconciliation will take into account these changes and the dates from which they apply.

The Commissioner now has a discretion to exempt small lenders from compliance with the **hiring arrangement duty** where receipts in a financial year from hiring do not exceed \$12,000. These provisions have been back-dated to 1 July this year and will apply to the current financial year.

Copies of the amending Acts are available from the Government Information Office in Darwin.

Further information is available from the NT Treasury on telephone 897987 in Darwin and 515900 in Alice Springs.

Family Court Costs

Judges of the Family Court have decided not to abolish solicitor costs agreements.

There will, however, be some changes made to current arrangements.

The Court has decided that it will have a discretion to decide whether such agreements are fair and reasonable, with the onus of proving both fairness and reasonableness being on the solicitor.

Rodney Burr, the Chairman of the Law Council's Family Law Section, said he welcomed the decision to retain costs agreements, and that the Section would be working closely with the court to develop a model acceptable to everyone.

SA AGENCY WORK

GROPE HAMILTON, a city-based law firm, is available to undertake agency work in most litigious and non-litigious areas.

Contact Mark Hamilton, ph (08) 2324767 bh, (08) 2673772 ah or fax (08) 2325045. 1st Floor, ADC Building, 83 Pirie Street, Adelaide SA 5000.