



2003 NSW Budget Announcements

The following revenue changes were announced by the Treasurer in the 2003 Budget. The amendments to give effect to the changes to Mortgage Duty, Gaming Machine Tax, Parking Space Levy and Pay-roll Tax were introduced into Parliament in the State Revenue Legislation Amendment Bill 2003. For further details of these changes, please see the Bill at the NSW Parliament website <http://www.parliament.nsw.gov.au/prod/web/phweb.nsf/frames/bills>. The amendments to Transfer Duty will be introduced in a later Bill.

Transfer Duty – Base Protection

A growing number of transactions and mechanisms involving companies and unlisted unit trusts are being used to avoid paying stamp duty on the acquisition of interests in land. The Treasury is developing more comprehensive measures to protect the revenue base. Relevant parties in the property industry are being consulted to ensure that provisions will not unnecessarily impede business activity.

Mortgage Duty

The Bill removes the concession that is currently available on mortgages associated with the issue of debentures (s. 226 *Duties Act*).

Gaming Machine Tax

The Bill changes the tax payable on gaming machines by hoteliers and registered clubs and changes the tax year in respect of which gaming machine taxes are payable.

Parking Space Levy

The Bill increases the Parking Space Levy payable for 2003 and provides for the automatic annual indexation of that levy.

Pay-roll Tax

The Bill:

- imposes pay-roll tax on employer contributions to employee share schemes and on any similar contribution provided by way of remuneration to a company director or member of the governing body of a company or a relevant contractor (effective from 1 July 2003);
- imposes pay-roll tax on any amount payable to a director or member of the governing body of a company (or a former director or member), as a consequence of a termination of services or office, that would be an eligible termination payment under the relevant Commonwealth legislation had it been paid as a consequence of termination of employment (effective from 1 July 2003);
- exempts from pay-roll tax wages paid or payable to certain trainees (effective from 1 January 2004).