

A BILL

entitled

PAYROLL TAX AMENDMENT ACT 2024

WHEREAS it is expedient to amend the Payroll Tax Act 1995;

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the Payroll Tax Act 1995 may be cited as the Payroll Tax Amendment Act 2024.

Repeals and replaces section 9C of the Payroll Tax Act 1995

2 Section 9C of the principal Act is repealed and replaced with the following—

“New hire relief for qualifying employers: 2024

9C (1) In this section—

“baseline total” means either—

- (a) the total number of full-time employees included in an employer's March 2022 payroll tax submission; or
- (b) zero, in the case of an employer who commences business on or after 1 April 2022;

“full-time employee” means a person who is employed by an employer for fifteen hours or more per week;

“new hire relief” has the meaning given in subsection (3);

“qualifying employee” means a person whose full-time employment by a qualifying employer—

- (a) first commences after 1 April 2022 and continues to be employed after 1 April 2024 up to 31 March 2026 (otherwise than as a result of a merger or acquisition involving the employer); or

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- (b) first commences during the period 1 April 2024 to 31 March 2026 (otherwise than as a result of a merger or acquisition involving the employer); and
- (c) has the effect of increasing the employer's total number of full-time employees from the baseline total;

“qualifying employer” means—

- (a) an exempted undertaking; or
- (b) any other employer —
 - (i) with an annual payroll of more than \$500,000 and who is liable to payroll tax—
 - (A) at the standard rate and who is not receiving any other relief under this Act,
 - (B) at the rate set out in Class BB of section 5 of the Rates Act, and who is not receiving any other relief under this Act,

which employs one or more qualifying employees.

(2) Subject to subsections (4) and (5), a qualifying employer is entitled to new hire relief for each of the tax periods commencing on 1 April 2024 and ending on 31 March 2026 if the qualifying employer applies to the Commissioner for new hire relief in such form, and with such information and supporting documentation, as may be required by the Commissioner.

(3) “New hire relief” means that the qualifying employer will not be liable to pay the employer portion of payroll tax otherwise payable under this Act in respect of any qualifying employees.

(4) A qualifying employer shall not be entitled to new hire relief if the employer is in arrears with the payment of payroll tax.

(5) A qualifying employer shall not be entitled to new hire relief for a tax period unless the total number of full-time employees BT + QE is maintained throughout the tax period, where—

“BT” is the baseline total; and

“QE” is the number of qualifying employees in respect of whom the qualifying employer applies for new hire relief.

(6) Nothing in this section affects the responsibility of a qualifying employer under section 19 to pay to the Commissioner the full amount of tax chargeable in accordance with this Act on each of his qualifying employees in respect of remuneration paid by him to the employee during each tax period.”.

Repeals section 9CA

3 Section 9CA of the Payroll Tax Act 1995 is repealed.

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EXPLANATORY MEMORANDUM

This Bill seeks to amend the Payroll Tax Act 1995.

Clause 1 provides the title of the Bill.

Clause 2 repeals and replaces section 9C of the Payroll Tax Act 1995 to change the applicable dates for the new hire waiver.

Clause 3 repeals section 9CA of the Payroll Tax Act 1995.