

A BILL  
entitled

PAYROLL TAX AMENDMENT ACT 2010

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

Be it enacted by The Queen'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 ("the principal Act"), may be cited as the Payroll Tax Amendment Act 2010.

Amends section 2

2 In section 2(1) of the principal Act, insert the following definition in the appropriate place in alphabetical order—

“retail store” means any place which is used for the carrying on of a business the primary purpose of which is the sale of goods by retail to customers;”.

Amends section 3

3 In section 3(3), delete “\$350,000” in both places and substitute “\$750,000”.

Amends section 9

4 In section 9(2)(e)—

- (a) at the end of subparagraph (ii) delete the full-stop and substitute “; or”;
- and

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(b) after that subparagraph insert—

“(iii) as a retail store employee in January, February or March: provided that his employer’s annual payroll is not less than \$200,000; or provided that his employer is not chargeable to tax at the rate prescribed by section 5 (class C, paragraph (j)) of the Rates Act (i.e. the rate chargeable to an employer whose business is located in an Economic Empowerment Zone, etc).”

Commencement

5 This Act comes into operation on 1 April 2010.

## PAYROLL TAX AMENDMENT BILL 2010

### EXPLANATORY MEMORANDUM

This Bill seeks to make amendments to the Payroll Tax Act 1995 (“the principal Act”).

Clause 1 is self-explanatory.

Clause 2 amends section 2(1) of the principal Act (interpretation) to insert a definition of “retail store”.

Clause 3 amends section 3(3) of the principal Act to increase from \$350,000 to \$750,000 the upper limit of remuneration subject to payroll tax at the standard rate.

Clause 4 amends section 9(2) of the principal Act to insert new paragraph (e)(iii) which includes certain retail store employees in January, February and March in the categories of employee in special situations.

Clause 5 provides for commencement.