

Application for Exclusion from Grouping – Payroll Tax

Note:

- If your businesses are related corporations under the *Corporations Act 2001*, you are precluded from applying for an exclusion from grouping.
- Prior to 1 July 2008, you are precluded from applying for an exclusion from grouping unless you were grouped through the use of common employees or you have a controlling interest in a discretionary trust only.
- Please attach all supporting information (see overleaf).
- Sufficient evidence showing that the businesses are run independently of each other must be provided with your application.
- Print clearly in the boxed spaces and tick the appropriate boxes.

Employer details

Registration Number*
(if applicable) * If you are registered as a client of the Territory Revenue Office, please enter your registration number

ABN

ACN

Name

Nature of Business

Employer contact details

Contact name

Daytime phone

Email address

Business address

Suburb State Postcode

Postal Address

Suburb State Postcode

Does the employer, or any other member of the group, pay interstate wages (outside of the Northern Territory)?

- Yes – if yes, which jurisdictions? NSW ACT VIC SA WA QLD TAS
- No

Has an application for exclusion from grouping for this matter been lodged in any other State or Territory?

- Yes – if yes and you have received a determination, please attach copy of same.
- No

Effective date or period(s) of exclusion
(the date from (or period for) which you are seeking the exclusion)

TERRITORY REVENUE OFFICE

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Introduction

The Northern Territory harmonised the grouping provisions of its payroll tax legislation with most other jurisdictions from 1 July 2008.

The effect of the harmonised arrangements is that a group will comprise the same members in each jurisdiction where any one member employs. Similarly, if a member seeks to be excluded from the group, an exclusion application must be made to each jurisdiction even if the member seeking the exclusion does not employ in that jurisdiction.

Where a member of a group that pays interstate wages seeks to be excluded from the group, the Territory Revenue Office (TRO) will consult with other relevant Revenue Offices as part of the process in determining the application. Such consultation is authorised under Part 10 of the *Taxation Administration Act* and similar legislation in other jurisdictions.

The following sets out the information that is required with an application for exclusion.

For further information on the grouping provisions and the circumstances where a member may be excluded from a group, refer to the *Employers' Guide to Payroll Tax in the Northern Territory (I-PRT-001)* and Payroll Tax Ruling [PTA031 Commissioner's Discretion to Exclude from a Group](#) which can be accessed on the TRO website www.revenue.nt.gov.au.

Provide the following details for all group members in the Northern Territory and Interstate. All questions must be addressed. If the question does not apply to your particular circumstance please indicate 'not applicable'.

Commonly controlled businesses

1. Registration number(s) (if known)
2. Name of the business(es) and ABN(s) / ACN(s)
3. Ownership structure of the business(s) (sole trader, partnership, trustee company, trust, company)
4. If any of the business(es) is conducted by a partnership:
 - a) The names of all the partners
 - b) The entitlement to profits
 - c) The capital invested
 - d) Copy of the partnership agreement and all amendments to that agreement
5. If any of the business(es) is conducted by a trustee corporation, other corporation or incorporated body:
 - a) The names of all the shareholders
 - b) The percentage of shares held by each shareholder
 - c) The percentage of voting rights held by each shareholder
 - d) The names of all the directors, nominee directors and shadow directors
 - e) Copy of the constitution or other constituent documents
 - f) Copies of any proxy agreements relating to shares held by any of the shareholders
 - g) Copies of any shareholder agreements
 - h) Copies of any powers of attorney or deed polls (including those containing negative covenants) relating to the exercise or non-exercise of powers, voting rights or discretions by shareholders and/or directors
6. If any of the business(es) is conducted by a trust:
 - a) Advice as to whether the trust is a discretionary trust or another form of trust
 - b) Unit Trust – a list of all unit holders, the number of units held, their relationship (if any) and details of all changes to these holdings between the date from which exclusion is sought and the date of application
 - c) Discretionary Trust – a list of all the beneficiaries
 - d) Details of the trustee or trustees of the trust, including changes to who has had this role
 - e) Copies of the trust deed/agreement and all amendments to it
 - f) Details of all distributions (whether of income or capital) from the trust for the period from the date from which exclusion is sought to the date of the application
7. A group diagram/chart showing the relationships between the businesses

Use of employees

8. If there is any use of common employees (in respect of each common employee):
 - a) Name of the employee and their title and role
 - b) Which member of the group is their employer?
 - c) What services do they perform?
 - d) For which members in the group do they perform those services?
 - e) What proportion of their time is spent providing services to the other members of the group?
9. Is there any agreement(s) or arrangement in writing for the provision of the services?
 - a) If yes, a copy of this agreement(s) is required
 - b) If there is no written agreement(s) or arrangement, on what basis is common employees established?
10. Does the business receiving the services pay the employer of the common employee for those services?
 - a) If yes, how is the payment calculated and is it calculated at a commercial basis?
 - b) If no, is there any other arrangement in place?
11. Where are these services performed?
12. Are invoices required to be submitted for work performed for other business?
 - a) If yes, how is payment made?
13. Are the services provided by the common employees services that are ordinarily required by the other business?
14. Would the other employer's business suffer if those services were not performed?

Nature and degree of ownership

15. What is the extent of common ownership in each of the businesses?
16. What is the relationship of the owners of each business?
 - a) Are they associated persons under section 73 of the *Payroll Tax Act*?

Nature and degree of control

17. Who makes the day-to-day management decisions for each business?
18. What sorts of matters are required to be submitted by management to other persons for decisions and who are those persons?
19. Who do these persons report to?
20. Are there any agreements about who is responsible for day-to-day management of each business? If so, provide copies
21. Who makes the strategic and financial decisions for each business?
22. To what extent do the directors/owners/beneficiaries/appointors get involved in the day-to-day operations of the businesses?
23. Are there any persons who alone or together have management control in more than one member of the group?

Nature of business

24. What is the history and reason for the set up/acquisition of each business?
25. What are the principal activities of each business?
 - a) Are these activities the same or complementary and/or supplementary to each other?
26. Are there common customers of the businesses?
27. Do the businesses compete with one another?
28. Does any business in the group exist solely or predominantly to provide services or goods to the other group members (including the business or businesses seeking exclusion)?

Conducting business together

29. What is the extent, if any, of any trade between members (percentage of sales/purchases)?
30. Are there any agency or management agreements, restrictive trade agreements, franchise arrangements, leases or licenses between any members of the group?
31. What is the nature and extent of any group purchasing or supply arrangements?
32. Do the businesses have common suppliers?
33. Do the businesses have a group insurance/WorkCover policy?

Sharing of resources

34. Are there any shared resources, equipment, facilities or services (including one member using resources owned/leased by another)? eg premises, plant and equipment, vehicles, computer systems, telephones, faxes, website, mailing address etc.
If yes, please provide the following:
 - a) What are they and how are they shared?
 - b) What is the percentage of shared resources, equipment etc supplied compared to the total requirement of the recipient?
35. Are there any formal arrangements or agreements in place to outline any shared or common resources?
 - a) Is there a market payment for the use of the shared or common resources?
36. Who owns the intellectual property used by each business? Intellectual property includes logos, letterheads, trademarks, patents, copyright, licences etc. Is any fee paid for this usage and is it commercial?
37. Do the businesses utilise/share a statutory licence?
 - a) If yes, what legislation is the licence under and who is the licensee/nominee, where applicable?

Financial relationships/dependencies

38. What are the banking arrangements of each business?
 - a) Do they have common or separate facilities?
 - b) Which bank and branch?
 - c) Who are the cheque signatories of the accounts and/or authorises EFT payments?
39. Are there any or has there been any intra group loans or financing arrangements between members of the group. If yes, provide the following:
 - a) Documentation relating to these loans
 - b) The purpose of the loan(s)
 - c) What securities are against them?
 - d) What interest is charged? eg none/commercial rates/other
 - e) Details of repayment terms? eg repayable on demand/defined schedules
 - f) The amount of the loan compared to Total Assets and Liabilities
40. Is there a reason why it was decided not to obtain finance via conventional commercial lending sources?
41. What is the extent of cross guarantees, mortgages, letters of comfort etc between the entities, including at a shareholder and director level?
42. Who is the ultimate guarantor for loans to each business?
43. Have any personal guarantees in respect of trade accounts been given?
 - a) If yes, who has given them?
44. If any property, plant or equipment is leased, who is the lessor?
45. If leased from a member of the group, are lease payments being made at commercial rates?
46. Has anyone given any security or guarantee in relation to lease payments? If yes, what is their relationship with the applicant?

47. Do the members of the group prepare consolidated accounts?
48. Do the members of the group use the same financial adviser/accountant/lawyer?
49. Do the members of the group advertise/market themselves as members of one group?
50. Provide a copy of the financial statements for each member of the group covering the period(s) from the date from which exclusion is sought to and including the date on which the application for exclusion has been made.

Declaration

I,

declare that all information provided is true and correct in every particular

Declared at

Signature Date

(Public Officer / Authorised Person)

WARNING: It is an offence under the *Taxation Administration Act* to provide information that you know is misleading in a material particular (maximum penalty 400 penalty units – current penalty unit values are available from www.revenue.nt.gov.au).

PRIVACY STATEMENT

The information you provide in this form is required by the Territory Revenue Office (TRO) to determine whether your organisation should be excluded from a group. The information may be disclosed to third parties with an individual's consent or as required or permitted by the law. An individual may review or update personal information held by TRO by contacting the office.

HOW TO CONTACT TRO

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