

## Taxation

### Head of Power

*Local Government Act 2009*

### Related Legislation

Local Government Regulation 2012

State and Commonwealth Taxation Legislation

### Objective

To establish guidelines for the management of Council's taxation obligations.

### Definitions

**Councillor** means the Mayor and all Councillors.

**Employee** means all employees of Council, whether employed on a permanent, temporary, or part-time basis and includes volunteers and employees of businesses and entities contracted to provide services to, or on behalf of Council.

**Fringe Benefits Tax (FBT)** means a Commonwealth tax on benefits provided to an employee (or associate) by an employer, but in a different form to salary or wages, eg. reimbursement of an employee's private home telephone costs.

**Goods and Services Tax (GST)** means a Commonwealth tax on the supply of most goods and services consumed in Australia. This excludes Australian taxes, fees and charges.

**Insurance Duty** means a State tax imposed on general, accident and life insurance policies.

**Land Tax** means a State tax imposed on the freehold land owned in Queensland.

**Local Government Tax Equivalent Regime (LGTER)** means a tax-equivalents regime for Queensland local governments, which applies to Council business activities which have been commercialised or corporatised under the *Local Government Act 2009*.

**Pay-As-You-Go withholding tax (PAYG)** means amounts that Commonwealth taxation legislation requires to be withheld by an employer from employees' salaries or wages.

**Payroll Tax** means a State tax imposed on employers based on the wages of employees in specific industries.

**Transfer Duty** means a State tax on transfers of Queensland property (eg. land, business acquisitions and shares).

**Vehicle Registration Duty** means a State duty imposed when registering or transferring the registration of a vehicle (other than caravans, trailers and boats).

### Application

This Policy applies to all of Council's taxation obligations including those outlined in the "Definitions" section above.

### Policy Statement

1. Council will fulfil its social and legal responsibilities to meet its taxation obligations. However, in so doing, Council seeks to minimise the extent of its taxation payment obligations through the application of prudent and effective taxation planning.
2. Appropriate systems and internal controls are to be established to ensure that all taxation obligations are correctly calculated, accounted, for and reported to the relevant authorities within the required timeframes.
3. At times, transactions with external parties (including employees) may result in additional taxation and statutory charges being incurred by Council. In such cases, and where reasonable, Council will on-charge the additional taxation and statutory charges to those parties.
4. The Accounting Services section is responsible for planning, managing and accounting for Council's taxation obligations. The Accounting Services section is to undertake an annual review of Council's taxation arrangements and the financial impact of those arrangements on Council's operations.
5. Each employee is, to the extent practicable and within appropriate time constraints, to consult with the Accounting Services section on any transaction undertaken on behalf of Council which may have taxation considerations or effects for Council.

### Related Documents

Nil.

### Review and Evaluation

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur as required, or at least once every four years.

### Responsibility

This Policy is to be:

- (1) implemented by the Accounting Services Manager; and
- (2) reviewed and amended in accordance with the "Review Triggers" by the Director Finance & Corporate Services.

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Document Control			
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