



BERMUDA
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PAYROLL TAX RATES ACT 1995

[Date of Assent 22 March 1995]

[Operative Date 22 March 1995]

ARRANGEMENT OF SECTIONS

1	Short title and construction	6	Exempt undertakings: assumed remuneration of employees
2	Interpretation	7	Tax recoverable from employees
3	The standard rate		SCHEDULE
4	Rate where employees are in special situations		
5	Rates for certain classes of employer		

WHEREAS it is expedient to prescribe the rates of tax chargeable, and other matters falling to be prescribed, under the Payroll Tax Act 1995, and to provide for connected purposes:

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:—

PAYROLL TAX RATES ACT 1995

Short title and construction

1 This Act may be cited as the Payroll Tax Rates Act 1995 and is to be read as one with the Act.

Interpretation

2 In this Act —

"the Act" means the Payroll Tax Act 1995;

"hotel" and "restaurant" have the meanings respectively assigned to those expressions in subsection (4) of section 3 of the Miscellaneous Taxes (Rates) Act 1980 immediately before the commencement of the Act;

"section" (except in this section and the Schedule to this Act) means section of the Act.

The standard rate

3 (1) 11.5% is prescribed as the rate for the purpose of paragraph (a) of subsection (1) of section 3.

(2) 11.5% is prescribed as the rate for the purpose of paragraph (b) of subsection (1) of section 3.

Rate where employees are in special situations

4 6.5% is prescribed as the rate for the purpose of section 9.

Rates for certain classes of employer

5 The classes of employer, and the rates, prescribed for the purpose of section 10 are those respectively set forth in the following Table—

CLASS	RATE
<u>Class A</u>	
(a) employer operating a hotel	
(b) employer operating a restaurant	
(c) employer with an annual payroll of not less than \$100,000 and not more than \$200,000	8.5%

Class B

- (a) the Bermuda Hospitals Board
- (b) the Corporation of Hamilton
- (c) the Corporation of St George's
- (d) an educational, sporting, cultural or scientific institution, association or society which in the Minister's opinion is carried on otherwise than for the purpose of gain by its individual members
- (e) a self-employed person carrying on business as a taxi-driver or a fisherman or a farmer or horticulturist
- (f) an employer with an annual payroll of less than \$100,000 6.5%

Class C

- (a) a parish council
- (b) a school which is operated with the consent of the Minister responsible for Education under the Schools Act 1926, or was in existence at the commencement of that Act
- (c) a body (whether incorporated or not) which in the Minister's opinion has been established principally for religious purposes, but as respects only such aspects of its affairs as do not consist of or involve carrying on business of a commercial character
- (d) a charitable organization registered under the Charities Act 1978 4.0%

Class D

- (a) the Government
- (b) the Bermuda College
- (c) a Government board 3.5%

PAYROLL TAX RATES ACT 1995

Class E

- (a) an employer whose payroll is less than \$650 in a tax period
- (b) a self-employed person whose notional remuneration is less than \$650 in a tax period and who has no employees 0.0%.

Exempt undertakings: assumed remuneration of employees

6 (1) Subject to subsection (2), \$16,500 ("the base figure") for a three-monthly tax period is the amount prescribed for the purpose of section 16.

(2) The Schedule has effect to modify the base figure to reflect changes in the value of money.

Tax recoverable from employees

7 The statutory proportion prescribed for the purpose of subsection (2) of section 19 is—

- (a) subject to paragraph (b) of this section, 4.0%;
- (b) for the Government, the Bermuda College or a Government board, 3.5%.

SCHEDULE (Section 6(2))

Indexing of Assumed Remuneration for Exempt Undertaking Employees

1 (1) If the Bermuda Consumer Price Index published by the Government ("the Index") for the December next preceding the relevant tax periods varies from the Index for the December next preceding that December, then subsection (1) of section 6 of this Act has effect in relation to those periods as if there were substituted for the base figure an amount arrived at by—

- (a) varying the base figure by a percentage equal to the percentage variation in the Index; and
- (b) if the result is not a multiple of \$5, rounding up the result to the nearest amount that is such a multiple.

(2) For this purpose, the expression "the relevant tax periods", in relation to the December next preceding those periods, means every tax period falling within the time which—

(a) commences on the first day of April next following that December; and

(b) ends immediately before the first day of the next following April.

(3) This Schedule affects tax periods commencing on or after 1 April 1996.

PAYROLL TAX RATES ACT 1995

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