



Office of the Tax Commissioner

What Taxi Owners/Operators need to know about Payroll Tax (Section 9B of the Payroll Tax Act 1995)

- With effect from April 1, 2018 Taxi Drivers will no longer be required to register in the Office of the Tax Commissioner to pay quarterly tax. Instead a flat annual rate of Payroll Tax will be charged on Taxi Owners at the Department of Transport Control (TCD) *before* the vehicle licence is issued.
- All Taxi Drivers/Owners who were registered for Payroll Tax in the Office of the Tax Commissioner prior to March 31, 2018 must settle any outstanding taxes before his/her tax account is cancelled. The Office of the Tax Commissioner will undertake aggressive collection strategies for delinquent persons.
- The annual flat tax is determined by the Payroll Tax Rates Act 1995 and is currently set at \$1,000 starting April 2018. This means that Taxi Owners will be required to pay the annual licence fee plus the flat rate of Payroll Tax of \$1,000 at the point of licensing/re-licensing by the Taxi licensing deadline of September 30.
- Persons who license a Taxi within 6 months of the expiry of the licence must pay half of the annual flat rate of Payroll Tax (i.e. \$500 any time after April 1). Persons licensing a taxi six months or more before the expiry of the license will be required to pay the full annual flat fee of \$1,000 (i.e. any time between October 1ST and March 31).
- A Taxi Owner who has paid the full amount of payroll tax in relation to his annual vehicle licence; and who transfers his taxi permit six months or less after making such payment (i.e. between October thru March) **or whose vehicle has been damaged and off the road**, may apply to the Tax Commissioner for a refund of half of the flat rate *-provided he makes such application within 30 days of the transfer date. Refunds will not be provided where transfers are made and the taxi license expires in less than 6 months.* **Refunds are only valid for extensively damaged vehicles and taxi permit transfers and will not be granted under any other circumstance.**
- A Taxi Owner who is applying for a refund must make application at the Office of the Tax Commissioner and include a completed Taxi Owner Payroll Tax Refund Application with a copy of the Bill of Sale, a valid form of identification; and the transfer approval note from the Department of Transport Control **or damage report from TCD**. Late applications will not be considered.
- No refund of payroll tax paid under this section shall be payable if a taxi permit is at any time suspended or revoked by the Public Service Vehicles Licensing Board under section 33 of the Motor Car Act 1951.