



Understanding the Passenger Service Levy



The Passenger Service Levy is a temporary \$1 levy per trip that applies to Taxi and Booking Service Providers and will be in place for up to five years. The levy will fund the NSW Government's industry adjustment assistance package of up to \$250 million designed to help taxi and hire car licence holders adjust to the new regulatory framework. Authorised Taxi Service Providers and Booking Service Providers will need to register as a taxpayer through the Industry Portal on the Point to Point Transport Commission website to submit levy returns. Payment of the levy is a condition of authorisation.

Who pays?

Taxi Service Providers and Booking Service Providers are required to pay the levy. Providers may opt to pass the cost on to their customers.

How is the levy calculated?

A levy of \$1 applies to each passenger service transaction. If passed onto customers, the levy will attract GST.

What is a passenger service transaction?

For Taxi Service Providers, it means \$1 for every passenger service provided where a customer hails down a taxi in the street or takes a taxi from a taxi rank.

For Booking Service Providers, it means \$1 for every booking for a taxi or hire vehicle which results in the provision of a passenger service.

Refer to the [FAQs](#) on our website for more information.

What is not a passenger service transaction?

The levy is not payable if:

- a passenger service is not provided (e.g. the customer cancels the booking)
- the journey commences outside of NSW, or starts or finishes in a remote or very remote part of NSW
- the service is provided directly under a community transport contract with Transport for NSW by the contractor
- the service is for the transport of patients facilitated by a hospital or by or on behalf of HealthShare NSW
- the service is provided in a bus (vehicles with more than 12 seats, including the driver)
- the service is in an ambulance
- the service is for transport under the Assisted School Travel Program of the NSW Department of Education

- the service is for transport of persons in custody by or on behalf of Corrective Services NSW
- the service is not otherwise captured by the legislation, such as a courtesy service or a carpooling arrangement.

What do I do if I am not currently carrying out passenger service transactions?

If you are not currently carrying out any passenger service transactions, you are not required to register as a taxpayer. However, you should notify the Point to Point Transport Commissioner to ensure that you are not issued with an estimated assessment.

How do I register as a taxpayer for the levy?

Service providers need to register as a taxpayer within 7 days of becoming liable to pay the levy. To register:

- log into the Industry Portal on the Point to Point Transport Commission website and follow the instructions
- complete a direct debit authorisation which will permit Revenue NSW to make deductions from your nominated bank account
- provide an estimate of the number of passenger service transactions that you expect to carry out during the next 12 month period.

Failure to register is an offence. If you fail to register you will still be liable for the levy and the Commissioner will make an estimated assessment of your liability.

Can I apply for an exemption?

If you are a small provider and carry out 150 or fewer passenger service transactions in any period of 12 months or if you only provide taxi services or booking services within, commencing or finishing in a remote or very remote area of NSW you may seek an exemption from the levy.

Am I entitled to a rebate?

If you carry out more than 150 but not more than 600 passenger service transactions in any period of 12 months you may apply for a rebate.

How do I apply for an exemption or rebate?

To apply for an exemption or a rebate:

- register as a taxpayer via the Industry Portal
- provide reasons why you believe you are entitled to an exemption or rebate and upload any supporting documents

If you are applying for a rebate you will also need to complete a direct debit authorisation which will permit Revenue NSW to make deductions from your nominated bank account

What do I need to pay if I am entitled to a rebate?

If you apply for a rebate and this is accepted you will be required to pay the levy once a year.

For service providers who carry out more than 150 and not more than 400 passenger service transactions the annual levy payable will be \$150.

For service providers carrying out more than 400 and not more than 600 passenger service transactions the annual levy payable will be \$400.

When do I need to lodge a return and there is no rebate applicable?

If you carry out more than 600 passenger service transactions in any period of 12 months then on or before the last day of each month, you will need to tell us how many passenger service transactions you carried out during the preceding month. Log into the Industry Portal and complete the Passenger Service Transactions Return.

What if I don't lodge a return?

If you fail to provide details of the number of transactions carried out for an assessment period, the Commissioner will make an estimated assessment of your liability.

How do I know what to pay?

Monthly levy payments are calculated on the basis of your return, or an estimated assessment. You will be issued with a Notice of Assessment telling you how much you need to pay.

Revenue NSW will deduct the levy from your nominated bank account on the 26th of each month (or the next business day if the 26th falls on a weekend or public holiday).

What happens if I don't pay in full?

Revenue NSW will be in contact to collect any overdue amount if you do not pay in full.

Payment of the levy is a condition of authorisation, and failure to comply may result in the Commissioner taking steps to vary, suspend or cancel your authorisation.

If this happens, you will be prohibited from providing taxi or booking services until your authorisation is reinstated. Fines of up to \$110,000 may apply for a person who provides services without an authorisation. A body corporate convicted of providing a taxi or booking service without an authorisation for a second time may be liable for fines of up to \$10,000,000. You will still be required to pay the outstanding debt, even if your authorisation has been cancelled.



An example of how the levy is collected

For a service provider with more than 600 passenger service transactions per year.

1. All eligible trips are recorded for the month of April



2. Trip data for April is submitted on the Point to Point Transport Industry Portal by 31 May



3. A levy assessment will be sent to the taxpayer and Revenue NSW



4. Payment is automatically collected by Revenue NSW from the nominated bank account on 26 June.

What if I disagree with an assessment?

There are four circumstances in which you can lodge an objection with the Commissioner:

1. a mistake was made in your return and resulted in a higher assessment of liability
2. if you receive an estimated assessment and you can demonstrate that the actual number of passenger service transactions is lower than the estimated assessment
3. a third party such as a driver, affiliated provider or other person collected the levy amount on your behalf but has not paid the levy amount (or as otherwise agreed) and you have taken all reasonable steps to recover that amount such as providing written instructions and reminders relating to the collection and remitting of levy amounts, to have the amount paid

4. you gave a third party such as a driver, affiliated provider or other person reasonable directions about collecting the levy. The levy amount was not collected by the person as you directed. You took all reasonable steps to recover the amount such as providing written instructions and reminders relating to the collection and remitting of levy amounts, to have the amount paid

You must provide written evidence to support your objection. Further information on lodging an objection will be contained in your notice of assessment. You must continue to pay any outstanding levy amounts and any new assessments while your objection is being considered.

If you remain dissatisfied with the outcome of your objection, you can appeal to the NSW Civil and Administrative Tribunal or the Supreme Court of NSW for further review.

How long do I have to lodge an objection?

If you made a mistake in your return or believe an estimated assessment exceeds what would have been determined if the assessment had been based on actual passenger service transactions, you must lodge your application for objection within 30 days from the date of issue of the Notice of Assessment.

If you are seeking a reduction or waiver of liability due to a third party failing to collect the levy on your behalf or pass the levy they have collected back to you, you must lodge your application for objection within 60 days from the date of issue of the Notice of Assessment.

In special circumstances, you can lodge an objection outside these time frames. This may include:

- extreme ill health or personal tragedy
- hardware or software failure, data corruption or loss
- an unforeseeable occurrence or a circumstance outside the control of the taxpayer.

How will compliance be enforced?

Under the *Taxation Administration Act 1996* and *Point to Point Transport (Taxis and Hire Vehicles) Act 2016*, the Point to Point Transport Commissioner can:

- require you to provide information or evidence
- investigate a taxpayer's records to ensure that they correctly reported passenger service transactions
- issue new assessments to replace previous assessments (where those previous assessments are found to be incorrect)
- take action against a service provider for failing to comply with their conditions of authorisation, including compliance with the Passenger Service Levy.

Revenue NSW collects overdue levy amounts and may do so by issuing third parties (such as financial institutions and banks) notices to remit funds held on behalf of the taxpayer to Revenue NSW. They may also initiate legal proceedings for payment of overdue amounts.

What records do I need to keep?

You must ensure that you keep accurate records for at least five years relating to your administration and management of the levy. You will need to put in place systems to record and remit levy amounts and any reasonable directions to third parties.

Note: levy records are separate to your safety management system, despite many of the requirements being the same.

You must notify the Point to Point Transport Commissioner of any changes to taxpayer information as soon as practicable after becoming aware of the change.

What are reasonable directions to third parties?

Some service providers may choose to ask third parties such as drivers or affiliated service providers to help collect the levy on their behalf. In this case a taxpayer may issue the third party with a 'reasonable direction.'

A person who is given a direction by an Authorised Taxi Service Provider or Booking Service Provider must not refuse to comply with that direction, as long as it is reasonable.

What is reasonable will depend on the circumstances and the situation. Reasonable directions may include that the driver or other person must:

- collect amounts in respect of the levy from passengers for all trips (or particular trips)
- remit collected levy amounts on a particular day (or weekly or monthly)
- deposit any collected levy amounts in a particular bank account.