

Revenue Ruling 2008

Public Ruling

Ruling Number	:	PTA015
Title	:	Workers' Compensation Payments
Tax Line	:	Payroll Tax
Legislative Reference	:	<i>Payroll Tax Act 2008</i>
Previous Ruling	:	PUB-PT-2008-16
Date of Ruling	:	1 July 2008
Attachments	:	-

Preamble

The *Payroll Tax Act 2008* (The Act), which commenced on 1 July 2007, rewrites the *Pay-roll Tax Act 1971* and harmonises the payroll tax legislation with Victoria and NSW.

The definition of taxable wages under the Act generally includes the amount shown as gross wages on an employee's payment summary. However, employers are sometimes uncertain whether payments of workers' compensation are taxable.

The purpose of this Revenue Ruling is to clarify how workers' compensation payments are treated for payroll tax purposes.

Ruling

Payments of compensation made in accordance with the applicable workers' compensation schemes in Victoria, NSW and Tasmania are not subject to payroll tax. This is the case whether or not the payment to the worker is made by the employer or the insurer.

However, compensation paid to incapacitated workers, in excess of the amount prescribed by the relevant workers' compensation legislation (ie 'make-up pay') will be subject to payroll tax.

This Revenue Ruling is effective from 1 July 2008.

Please note that rulings do not have the force of law. Each decision made by the State Revenue Office is made on the merits of each individual case having regard to any relevant ruling.

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Enquiries about this Revenue Ruling should be directed to the Research, Analysis and Legislative Review Section on telephone 03 6233 2694 or e-mail at revenuereview@treasury.tas.gov.au. Copies of this ruling may be obtained from our website at www.sro.tas.gov.au by selecting "Resources" and then "Rulings".

All rulings must be read subject to Revenue Ruling PUB-GEN-2008-29, "Explanation and status of Revenue Rulings".



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