

Public Ruling

Ruling Number	:	PTA024
Title	:	Overnight accommodation allowances paid to truck drivers
Tax Line	:	Payroll Tax
Legislative Reference	:	<i>Payroll Tax Act 2008</i>
Previous Ruling	:	PUB-PT-2008-25
Date of Ruling	:	1 July 2008
Attachments	:	-

Preamble

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

Section 30 of the Act imposes payroll tax on accommodation allowances paid or payable to an employee in respect of a night's absence from the employee's usual place of residence to the extent that those allowances exceed the exempt rate. Generally, accommodation allowances are paid to an employee to cover temporary accommodation costs necessarily incurred while the employee is required to travel for work purposes. (See Revenue Ruling PTA005 Exempt allowances: Motor vehicle and accommodation).

Under the Transport Workers (Long Distance Drivers) Award 2000 (the Award), where a long distance truck driver is unable to return home at night, the employer is required to pay the driver an allowance to cover the necessary personal expenses reasonably incurred in travelling. Further, the Award states that where the employer provides suitable accommodation acceptable to the union, the truck driver will not be entitled to the allowance. Under general circumstances, truck drivers do not incur accommodation expenses when travelling for work as they sleep in their truck.

This Revenue Ruling clarifies the payroll tax treatment of overnight allowances paid to truck drivers.

Ruling

Overnight allowances paid to long distance truck drivers are exempt from payroll tax if the following criteria are satisfied:

1. the allowance is paid according to the terms of the Award; and
2. the amount is no more than the exempt rate for accommodation allowances under section 30 of the Act.

If an overnight allowance exceeds the exempt rate, the difference between the allowance and the exempt rate is subject to payroll tax (Revenue Ruling PTA005).

Revenue Ruling 2008

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.

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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