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Public Ruling

**Payroll Tax Act—Harmonised:
FEES PAID TO GOLF PROFESSIONALS BY
GOLF CLUBS**

A Public Ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a Public Ruling, the change in the law overrides the Public Ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this Ruling is about

1. The *Pay-roll Tax (Harmonisation) Amendment Act 2008* amended the *Payroll Tax Act 1971* (the Payroll Tax Act) with effect from 1 July 2008 to harmonise certain aspects of Queensland's payroll tax system with the systems of other jurisdictions.
2. Even though a golf club may set a minimum number of working hours, a golf professional is unlikely to be a common law employee as the golf professional may be carrying on a business of providing professional golf services (whether in his/her own capacity, partnership or an incorporated entity). In addition, a golf professional is not usually entitled to the various types of paid leave that an employee is normally entitled to.
3. The income of a golf professional may include prize money, proceeds from the sale of goods in the pro shop, fees for golf lessons provided, and retainer and commission payments from a golf club.
4. The purpose of this Public Ruling is to clarify a golf club's payroll tax liability on payments made to a golf professional.

Ruling and explanation

5. Although a golf professional is unlikely to be a common law employee of a golf club, the golf professional may be deemed as an employee of the golf club; and any payments made to the golf professional may be deemed as wages under Division 1A of Part 2 of the Payroll Tax Act (the Contractor Provisions). Deemed wages are subject to payroll tax under s.13E of the Payroll Tax Act.
6. However, payments made by a golf club to a golf professional may be exempt from payroll tax if:
 - a) the golf professional provides services to the golf club for no more than 90 days in a financial year (s.13B(2)(b)(iii) of the Payroll Tax Act). For more information on what constitutes a day's work, refer to Public Ruling PTA014
 - b) the golf professional engages another person to assist in providing the services to the golf club (s.13B(2)(c) of the Payroll Tax Act). That person must be engaged in a substantially full-time capacity and provide services required of the golf professional under the contract between the golf professional and the club. Further, that person cannot merely be providing administrative services to the golf professional's business
 - c) the Commissioner is satisfied that the golf professional provides the same kind of services provided to the club to the general public in that financial year (s.13B(2)(b)(iv) of the Payroll Tax Act). The Commissioner would generally accept that the golf professional provides services to the general public if the golf professional earns more than 50 per cent of his/her income as a golf professional from sources other than the golf club that engages him/her.

Grouping of the business of the golf professional and the golf club

7. Even if the payments to a golf professional were exempt under the Contractor Provisions, the business of the golf club may still be grouped with the business of the golf professional under Part 4 of the Payroll Tax Act (the Grouping Provisions). If so, in calculating the payroll tax liability under the Grouping Provisions, all wages paid by the golf professional's business and those paid by the golf club are aggregated.
8. For the Grouping Provisions to apply, the business of the golf club and the golf professional would have to be substantially dependent or connected. Given the way that most golf professionals operate, if less than 50 per cent of the golf professional's income for providing professional golf services is derived from the golf club, the Commissioner would generally exercise his discretion not to group the golf professional with the golf club.
9. Golf clubs should apply to the Commissioner for clarification if they are uncertain as to whether their payments to golf professionals are subject to payroll tax.

Date of effect

10. This Public Ruling takes effect from its date of issue.

David Smith
Commissioner of State Revenue
Date of issue: 16 December 2013

References

Public Ruling	Issued	Dates of effect	
		From	To
PTA013.2	16 December 2013	16 December 2013	Current
PTA013.1	Date of issue	1 July 2008	15 December 2013