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## Public Ruling Payroll Tax Act—Harmonised: WHAT CONSTITUTES A DAY'S WORK?

*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. Parties to a 'relevant contract' are deemed to be employers and employees<sup>1</sup> and payments made under such a contract are deemed to be wages.<sup>2</sup> Deemed wages are subject to payroll tax under s.13F of the Payroll Tax Act.
3. While most contracts for the provision of services come within the meaning of 'relevant contract' under s.13B of the Payroll Tax Act, certain types of contracts are specifically excluded from the definition of 'relevant contract'.
4. One exclusion is a contract for services of a kind ordinarily required by the designated person<sup>3</sup> (the principal) for less than 180 days in a financial year.<sup>4</sup>
5. Another exclusion is a contract for the provision of services by a person providing the same or similar services to a principal under the contract for no more than 90 days in a financial year.<sup>5</sup>
6. The purpose of this Public Ruling is to clarify what constitutes a day's work for the purposes of ss.13B(2)(b)(ii) and 13B(2)(b)(iii) of the Payroll Tax Act.

<sup>1</sup> Sections 13C and 13D of the Payroll Tax Act

<sup>2</sup> Section 13E of the Payroll Tax Act

<sup>3</sup> As defined in section 13B(1) of the Payroll Tax Act

<sup>4</sup> Section 13B(2)(b)(ii) of the Payroll Tax Act

<sup>5</sup> Section 13B(2)(b)(iii) of the Payroll Tax Act

## Ruling and explanation

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7. A calendar day on which work is performed under a contract is counted as a 'day' in determining the number of days on which work is performed by a contractor, regardless of the amount of time worked on that day.

### Example

<i>Day</i>	<i>Contractor A (Hours worked)</i>	<i>Contractor B (Hours worked)</i>
<i>Monday</i>	<i>1</i>	<i>12</i>
<i>Tuesday</i>	<i>1</i>	<i>8</i>
<i>Wednesday</i>	<i>4</i>	<i>10</i>
<i>Thursday</i>	<i>2</i>	<i>9</i>
<i>Friday</i>	<i>8</i>	<i>8</i>
<i>Saturday</i>	<i>2</i>	<i>5</i>
<b><i>Total</i></b>	<b><i>18</i></b>	<b><i>52</i></b>

8. For the purposes of determining whether the exemptions provided by ss.13B(2)(b)(ii) and 13B(2)(b)(iii) of the Payroll Tax Act apply, both Contractor A and Contractor B are considered to have worked for six days even though Contractor A has worked for only 18 hours for that period and Contractor B has worked for 52 hours during the same period.

## Date of effect

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9. This Public Ruling takes effect from the date of issue.

David Smith  
Commissioner of State Revenue  
Date of Issue 3 July 2009

## References

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Public Ruling	Issued	Dates of effect	
		From	To
PTA014.2	3 July 2009	3 July 2009	Current
PTA014.1	24 February 2009	1 July 2008	2 July 2009