

Contents	Page
What this Ruling is about	1
Ruling and explanation	1
Date of effect	2
References	2

Public Ruling

Payroll Tax Act—Harmonised: WORKERS' COMPENSATION PAYMENTS

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. The definition of 'taxable wages' under the Payroll Tax 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.
3. The purpose of this Public Ruling is to clarify how workers' compensation payments are treated for payroll tax purposes.

Ruling and explanation

4. Payments of compensation made in accordance with the *Workers' Compensation and Rehabilitation Act 2003* (the Compensation Act) 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.
5. However, compensation paid to incapacitated workers in excess of the amount prescribed by the Compensation Act (i.e. make up pay) will be subject to payroll tax.

Date of effect

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

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

References

Public Ruling	Issued	Dates of effect	
		From	To
PTA015.2	3 July 2009	3 July 2009	Current
PTA015.1	24 February 2009	1 July 2008	2 July 2009