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Public Ruling Payroll Tax Act:

PAYROLL TAX EXEMPTION FOR WAGES PAID TO GENERAL PRACTITIONERS

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. This public ruling sets out the terms of an administrative arrangement that allows for wages paid or payable by a medical practice to a general practitioner to be exempt from payroll tax and the mental health levy, and includes the relevant meanings of ‘medical practice’ and ‘general practitioner’.
2. Under the *Payroll Tax Act 1971* (Payroll Tax Act), payroll tax is imposed on taxable wages paid or payable to employees in a financial year, once the total annual Australian taxable wages of an employer—or group of employers—exceeds the relevant threshold.
3. ‘Taxable wages’ are those wages made liable under section 9 of the Payroll Tax Act. Generally, wages are liable to payroll tax and the mental health levy where there is a nexus with Queensland, as set out in section 9. However, certain wages are specifically exempted.
4. Part 2, division 2 of the Payroll Tax Act contains exemptions for certain wages, where relevant conditions are met. Where an exemption applies, these wages are not wages liable to payroll tax and the mental health levy, so are not taken into account in determining a person’s payroll tax and mental health levy obligations.
5. The *Taxation Administration Act 2001* (Taxation Administration Act) supports the Payroll Tax Act by providing general provisions relating to the administration of payroll tax.
6. The administrative arrangement enables the Payroll Tax Act to be administered on the terms detailed in this ruling.

Ruling and explanation

7. The following paragraphs apply for the purposes of administering the Payroll Tax Act in respect of wages paid or payable by a medical practice to a general practitioner on and from 1 December 2024.
8. Section 14(2) of the Payroll Tax Act will be administered on the basis that wages liable to payroll tax and the mental health levy under that Act do not include wages paid or payable by a medical practice to a general practitioner, being any of the following:
 - (a) a medical practitioner who is registered under the Health Practitioner Regulation National Law (Queensland) in the specialty of general practice
 - (b) a medical practitioner specified in clause 1.1.3 of part 1 of schedule 1 to the Health Insurance (General Medical Services Table) Regulations 2021 (Cwlth)
 - (c) a prescribed medical practitioner as defined in clause 7.1.1 of part 7 of schedule 1 to the Health Insurance (General Medical Services Table) Regulations 2021 (Cwlth), to the extent the practitioner predominately provides services of the type ordinarily provided by a medical practitioner mentioned in (a).
9. For the purposes of paragraph 8, 'medical practice' means a business, other than a hospital, at which services of the type ordinarily provided by a medical practitioner mentioned in paragraph 8 (a) are provided, whether the business operates from a premises or remotely (e.g. by telephone).
10. To avoid any doubt, other provisions in the Payroll Tax Act and Taxation Administration Act continue to apply, unless their operation is modified by the administrative arrangement. For example, record keeping obligations under Part 9 of the Taxation Administration Act continue to apply.

Date of effect

11. This public ruling takes effect from 1 December 2024.

Simon McKee
 Commissioner of State Revenue
 Date of issue: 6 December 2024

References

Public Ruling	Issued	Dates of effect	
		From	To
PTAQ014.1.1	6 December 2024	1 December 2024	Current