



Revenue Circular PTA015
Payroll Tax Act 2011
Workers' Compensation Payments

Circular history

Circular number	Issued date	Dates of effect		Status
		From	To	
PTX015	30 June 2008	1 July 2008	30 June 2011	Republished as PTA015 with minor amendments
PTA015	30 June 2011	1 July 2011	-	Current

Preamble

The *Payroll Tax Act 2011* (the Act), which commenced on 1 July 2011, rewrites the *Payroll Tax Act 1987* (the 1987 Act) and harmonises the payroll tax legislation in the Australian jurisdictions.

1. The definition of taxable wages under the 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.

Circular

2. The purpose of this circular is to clarify how workers' compensation payments are treated for payroll tax purposes.

3. Payments of compensation made in accordance with the applicable workers' compensation schemes in the 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.

4. However, compensation paid to incapacitated workers, in excess of the amount prescribed by the relevant workers' compensation legislation (i.e. 'make-up pay') will be subject to payroll tax.

SIGNED

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30 June 2011

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