



<b>REVENUE CIRCULAR PTA014</b>
What Constitutes a Day's Work? - <i>Payroll Tax Act 2011</i>
Issue Date: 30 June 2011
Status: Current – Effective 1 July 2011
Previous Circular: PTX014

## **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. Parties to “relevant contract” are deemed to be employers and employees (sections 33 and 34 of the Act) and payments made under a contract are deemed to be wages (section 35 of the Act). Deemed wages are subject to payroll tax under section 36 of the Act.
2. Schedule 2, part 2.3, section 2.14(1)(f) of the Act provides an exemption from payroll tax where wages are paid (or are payable) by an employment agent to a subcontractor under a contract between the agent and the subcontractor for work performed by the subcontractor for a client of the agent.
3. The exemption applies to wages paid to individuals who together perform the work for not more than eight (8) days in any month under a contract with the agent.
4. The purpose of this circular is to clarify what constitutes a day's work for the purposes of schedule 2, part 2.3, section 2.14(1)(f) of the Act.

## **Circular**

### **What Constitutes a Day's Work?**

5. 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:

See Example Below

<b>DAY</b>	<b>CONTRACTOR A (HOURS WORKED)</b>	<b>CONTRACTOR B (HOURS WORKED)</b>
Monday	1	12
Tuesday	1	8
Wednesday	4	10
Thursday	2	9
Friday	8	8
Saturday	2	5
<b>TOTAL:</b>	<b>18</b>	<b>52</b>

6. For the purposes of determining whether the exemption provided by schedule 2, part 2.3, section 2.14(1)(f) of the 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.

SIGNED

David Read  
Commissioner for ACT Revenue  
30 June 2011