



PAYROLL TAX: Employment Agency Contracts Chain of on -hire Declaration PTF027

NOTE:

- An employment agency contract is a contract under which a person (employment agent) procures the services of another person (service provider) for a client of the employment agent. Such a contract could be formal or informal and could be expressly made or implied.
- A 'chain of on-hire' occurs when an employment agent on-hires a service provider to another employment agent who in turn on-hires the service provider to its client.
- Division 3.8 of Part 3 of the *Payroll Tax Act 2011* (the Act) imposes payroll tax on wages paid by employment agents to staff on-hired under employment agency contracts.
- Revenue Circular PTA027 states that where there is a chain of on-hire, the employment agent (Agent 2) closest to the ultimate client of the service provider is liable for payroll tax on the payment(s) made to Agent 1.
- This declaration is to be made by the employment agent (Agent 2) who is the closest to the ultimate client of the labour provided by the service provider. Please read Revenue Circular PTA027 carefully before completing this form.
- This declaration must be kept by Agent 1 for five years. Agent 1 must ensure that this declaration can be readily produced upon request by the ACT Revenue Office.
- Under the anti-avoidance provisions in section 42 of the Act, the Commissioner for ACT Revenue may impose a payroll tax liability on any party to the employment agency arrangement if this declaration is incorrectly made.
- **Giving false or misleading information is a serious offence** (*Criminal Code 2002*)

Legal name of service provider

Legal name of employment agent that has contracted with the service provider (Agent 1)

Legal name of employment agent that has contracted with Agent 1 and will be further on-hiring the service provider (Agent 2)

ABN of Agent 2 – Employment Agent contracted with Agent 1

Legal name of the client that has contracted with Agent 2 and will be the ultimate client of the labour provided by the service provider

The effective period that this Chain of on-hire Declaration relates to between Agent 1 and Agent 2

Start date: _____ Cease Date: _____.

Agent 2 declares to Agent 1 that (tick one of the following boxes):

- Agent 2** is not liable for payroll tax; or
- Agent 2** is liable for payroll tax and will pay the payroll tax liability that arises out of on-hiring (the service provider) to our client.

I, (Agent 2 or Authorised Employee of Agent 2), being an authorised officer of Agent 2, certify that the information provided in this form is true and correct.

I agree that this form can be provided to any other party associated with this declaration.

Signature:	Date:
------------	-------

(Employer, public officer or authorised person to sign)

Privacy Statement:

All information collected by the ACT Revenue Office is protected by secrecy provisions in Acts administered by the Office and only used for the purposes of those Acts. In addition, personal information provided to the ACT Revenue Office is protected by the *Information Privacy Act 2014*. Information (including personal information) is not disclosed to any third party unless authorised by law or with the consent of the person involved.