



Revenue Circular PTA075

Payroll Tax Act 2011

Extension of Payroll Tax Base to Employer Superannuation Contributions

Circular history

Circular number	Issued date	Dates of effect		Status
		From	To	
No 47	27 May 1994	27 May 1994	30 June 1996	Superseded by No 56
No 56	24 July 1996	1 July 1996	30 June 2008	Republished as PTX024 with minor amendments
PTX024	30 June 2008	1 July 2008	30 June 2011	Republished as PTA075 with minor amendments
PTA075	30 June 2011	1 July 2011	30 June 2012	Republished as PTA075.1 with minor amendments

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 Act imposes a liability to ACT payroll tax on an employer for any wages paid or payable by the employer for services rendered or performed in, or partly in, the ACT.
2. This circular provides details of the extension of the payroll tax base to all employer superannuation contributions through an expanded definition of "wages" from 1 July 1996.¹

Circular

3. For the purposes of determining payroll tax liability under the Act, "wages" is defined to include "other benefit". The latter includes a payment to a superannuation fund by an employer.²
4. As a consequence of the extension of the payroll tax base from 1 July 1996 to all employer-funded superannuation contributions, the payroll tax rate was reduced from 7 per cent to 6.85 per cent, also with effect from 1 July 1996.
5. The annual threshold for ACT payroll tax purposes is currently \$1 500 000 effective 1 July 2008.

¹ Previously payroll tax was only applied to payments that were a substitute for direct salary (salary sacrifice) by administrative arrangement – refer circular no. 47 issued 27 May 1994.

² *CBS Credit Union Co-operative (ACT) LTD v Commissioner for ACT Revenue* - 94 ATC 2120.

6. The monthly threshold based on the above annual threshold is \$125 000.

SIGNED

David Read
Commissioner for ACT Revenue
30 June 2011

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