

REVENUE CIRCULAR PTA010
Wages Subsidies – <i>Payroll Tax Act 2011</i>
Issue Date: 30 June 2011
Status: Current – Effective 1 July 2011
Previous Circular: PTX010

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. From time to time, an employer may be eligible to receive a subsidy or partial reimbursement of wages paid from government authorities where the nature of employment accords with particular government policies. Under these circumstances, uncertainty may arise as to the amount that must be declared as wages.
2. The purpose of this circular is to clarify that where a wage subsidy has been received, the full amount of gross wages paid or payable to employees is subject to payroll tax under the Act.

Circular

Wage Subsidies

3. If an employer receives a subsidy from a government authority (whether State, other Territory, or Commonwealth) in respect of wages paid to workers (e.g. a subsidy under the Wage Assistance Program), the gross wages remain subject to payroll tax. The source of the funds used to pay wages to employees is not relevant in determining the payroll tax liability. In addition, the employer does not cease to be an employer merely because a wage subsidy has been received.

SIGNED

David Read
Commissioner for ACT Revenue
30 June 2011