

Guideline

Payroll Tax, Tasmania Annual Adjustment Return 2017-18

Payroll Tax Act 2008

Introduction

This guideline contains the following topics to assist in the Annual Adjustment Return (AAR) process:

- Lodgement
- Split assessments
- Interim payments
- Definitions and principles
- Nexus provisions
- How to complete the AAR
- Payroll Tax assistance
- Standard Business Reporting (SBR)
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Lodgement

Payroll tax returns are lodged using Tasmanian Revenue Online (TRO).

If you are not already registered, go to www.tro.tas.gov.au to register.

Your return is pre-filled with the amount of tax paid during the year. Once you complete the remaining fields, your liability will be automatically calculated.

Split assessments

If you became a member of a group or ceased to be a member of a group during the 2017-18 financial year, you will be required to enter a split return. This can be done using TRO.

TRO will calculate the threshold entitlement and the amount of tax payable and issue an Assessment Notice for any tax owing or refund due.

Interim payments

Annual returns are due to be lodged and paid by 21 July or the first working day after when the 21st is a non-working day. If you are unable to complete and pay your return by the due date, making an interim payment may reduce the amount of penalty and interest due to late lodgement of the return.

To make an interim payment:

- Select 'Returns' from the left hand menu
- Select "Interim Payment"
- Your payment options based on your registration will be displayed.

Definitions and principles

In this guide:

'Taxable wages'	means wages paid by you which are taxable in Tasmania.
'Interstate Wages'	means wages paid by you in other States and Territories (excluding Tasmanian wages)
'Australian Wages'	means the total of wages paid by you in Tasmania and wages paid by you in other States and Territories.
'Australian Group Wages'	means the total of wages paid by you and other group members in Tasmania and wages paid by you and other group members in other States and Territories.

For the 2017-18 financial year:

- Where **Australian Wages** or **Australian Group Wages** are \$1 250 000 or less, no payroll tax is payable in Tasmania. If there have been any changes to the currently registered group you should update your registration details in TRO.
- A **Threshold Amount** of \$1 250 000 (or part of \$1 250 000 if you pay wages in both Tasmania and in other States or Territories, or pay wages in Tasmania for only part of the year) is subtracted from the **Taxable Wages** to arrive at the **Taxable Amount**.
- The rate of tax is 6.1 per cent.
- The amount of payroll tax is calculated as 6.1 per cent of the **Taxable Amount**.

The [Employer's Guide to Payroll Tax 2017-18](#) explains taxable, non-taxable and exempt payments.

For more assistance about submitting a return, please read [Payroll Tax Mistakes to Avoid](#), at www.sro.tas.gov.au.

Nexus provisions

Employers with employees providing services solely in Tasmania

Where an employee provides services solely in Tasmania, the employee's wages are liable for Tasmanian payroll tax.

Employers with employees providing services in more than one jurisdiction

Where an employee has not wholly performed services in Tasmania in the month, the nexus provisions provide four tiered tests, which require the following factors to be considered:

- the employee's principal place of residence;
- the employer's registered ABN address/principal place of business;
- the place where the wages are paid to the employee; or
- the place where the services are mainly performed.

For more information please read '[Revenue Ruling PTA039 Payroll Tax Nexus Provisions](#)' at www.sro.tas.gov.au.

How to complete the AAR

The AAR replaces the normal monthly June return. You should complete it by following these steps:

Step 1

Prior to completing your AAR you should complete the 'Annual Confirmation'. To complete the confirmation click on the link in your banner message. If you elect not to complete the Annual Confirmation you will not receive a threshold entitlement on submission of your annual return.

To complete the 2017-18 Annual Adjustment Return select Returns from the left hand menu, then to the right of the Annual 17/18 select "Submit".

Enter the taxable amount for each field. All fields are **compulsory**. Therefore, a '0' must be entered if no taxable component is applicable. The value of your 'Previous payments' will default to the amount paid.

Help files for each field can be viewed by clicking on the hyperlink. Once all fields are entered, TRO will calculate the threshold entitlement, the amount of tax paid to date, and the amount of tax payable or refund due. Click on the "Submit" button. Once the return has been lodged, an acknowledgement will appear – tick the acknowledgment box and select your payment method.

Note: If you do not wish to claim the threshold entitlement or do not have your Interstate/Australian Group wages at time of lodgement – remove the tick on the 'Apply threshold' box. The AAR return will be lodged without the threshold entitlement being calculated.

Once submitted, a return can be amended. If an adjustment to the taxable wages is required, select the return from the Returns list, select 'Amend' and submit your new return details.

Step 2

Once you have lodged your AAR, payment may be required for any outstanding tax. TRO will return your payment options based on your registration.

EPA – (Direct Debit)

If you have selected to make payments through TRO – the (Pay Now) or (Pay on Due Date) options will appear in TRO when you submit your return. Details of your transaction will appear under the \$ Banking details in TRO:

Pending Payments

There are outstanding scheduled payments for this account. Changing the banking details will affect the scheduled payments.

	Status	Reference Number	Payment Date	Amount
<input type="button" value="Cancel"/>	Pending	60051218168858	01/07/2016	\$10 099.42

If the option to 'Pay now' or 'Pay on due date' are not available but you wish to pay by EPA (Direct Debit)

- go to the Bank details on the left hand menu
- verify or enter your bank account details
- tick the box "Do you want to make your payments through TRO?"
- accept the terms and conditions and click on the 'Update' box

You will now have the 'Pay now' and 'Pay on due date' options when selecting your returns to pay.

BPay

The BPay Reference Number appears in the bottom left hand corner of the confirmation message.

EFT

Bank account and reference details will appear once you have submitted your return.

Cheque

Please print out your confirmation message and attach it to your payment.

Refund

If a refund is due, the SRO will process the refund and deposit it into your nominated bank account. For accounts grouped in Tasmania, all members must have lodged before your AAR can be finalised and a refund processed if applicable.

Standard Business Reporting

Standard Business Reporting (SBR) is an Australian Government initiative to reduce the business-to-government reporting burden. SBR has been co-designed by twelve Australian, State and Territory government agencies in partnership with software developers, business and their accountants, bookkeepers, tax agents and payroll professionals.

See the [SBR website](#) for more information.

AUSkey

AUSkey is a single secure online credential (key) for business-to-government transactions. It provides access to government online services for participating agencies. For information about its benefits and how you can apply, visit the [AUSkey website](#).

For information about linking AUSkey with Tasmanian Revenue Online, go to www.sro.tas.gov.au.

More information

State Revenue Office	www.sro.tas.gov.au
Tasmanian Revenue Online	www.tro.tas.gov.au
Email	taxhelp@treasury.tas.gov.au
Telephone	(03) 6166 4400 (weekdays 9:00am to 5:00pm)
Facsimile	(03) 6173 0217
Postal address	Commissioner of State Revenue GPO Box 1374 HOBART TAS 7001
In person	Ground Floor Salamanca Building Parliament Square 4 Salamanca Place HOBART TAS 7000 (weekdays 9:00am to 5:00pm)

Disclaimer

The notes and examples in this guideline offer general information only about the preparation of the annual adjustment return and reconciliation form. For specific advice about your company's financial affairs as they relate to payroll tax, you should seek guidance from your taxation or legal professional.

Example Calculations for the 2017-18 financial year

This part of the guide contains sample calculations of the **Threshold Amount** for a number of different situations. Your threshold is automatically calculated according to the registration and payroll details provided by you in TRO. To calculate your **Threshold Amount** yourself (for checking purposes) use the example that applies to your situation.

I. Employer paying wages in Tas only (ungrouped)

Taxable wages details: Tas wages \$1 400 000	Annual – Full Period 1 July 2017– 30 June 2018	Annual – Part Period 1 October 2017 – 30 June 2018 (273 days)
Calculation of threshold for period of employment		
$\frac{\text{No. of days employing}}{\text{No. of days in period}} \times \text{threshold}$	$\frac{365}{365} \times \$1\,250\,000 = \$1\,250\,000$	$\frac{273}{365} \times \$1\,250\,000 = \$934\,931.50$
Calculation of employer's tax payable for the period		
Employer's Tas wages for the period	\$1 400 000	\$1 400 000.00
Less: Threshold for the period	<u>\$1 250 000</u>	<u>\$ 934 931.50</u>
Tax on the balance	\$ 150 000 x 6.1 percent = \$9 150.00	\$ 465 068.50 x 6.1 percent = \$28 369.18
Tax payable for the financial year	\$9 150.00	\$28 369.18

2. Employer paying wages in Tas and interstate (ungrouped)

Taxable wages details:	Annual – Full Period	Annual – Part Period
Tas wages \$1 400 000		
Aust wages \$3 000 000	1 July 2017 – 30 June 2018	15 January 2018 – 30 June 2018 (167 days).
Calculation of threshold for period of employment		
No. of days employing _____ x threshold No. of days in period	365 _____ x \$1 250 000 = \$1 250 000 365	167 _____ x \$1 250 000 = \$571 917.81 365
Calculation of employer's threshold for period of employment		
Tas Wages _____ x threshold Employers Total Australian Wages	\$1 400 000 _____ x \$1 250 000 = \$583 333.30 \$3 000 000	\$1 400 000 _____ x \$571 918.00 = \$266 894.98 \$3 000 000
Calculation of employer's tax payable for the period		
Employer's Tas wages for the period	\$1 400 000.00	\$1 400 000.00
Less: Threshold for the period	<u>\$ 583 333.30</u>	<u>\$ 266 895.00</u>
Tax on the balance	\$ 816 666.70 x 6.1 per cent = \$49 816.67	\$1 133 105.02 x 6.1 per cent = \$69 119.41
Tax payable for the financial year	\$49 816.67	\$69 119.41

3. Grouped employer paying as the Designated Group Employer (one member claiming)

Taxable wages details:	Annual – Full Period	Annual – Part Period
Tas wages \$ 750 000		
Tas group wages \$1 475 000	1 July 2017 – 30 June 2018	14 March 2018 – 30 June 2018 (109 days)
Aust group wages \$3 000 000		
Calculation of threshold for period of employment		
$\frac{\text{No. of days employing}}{\text{No. of days in period}} \times \text{threshold}$	$\frac{365}{365} \times \$1\,250\,000 = \$1\,250\,000$	$\frac{109}{365} \times \$1\,250\,000 = \$373\,287.67$
Calculation of employer's threshold for period of employment		
$\frac{\text{Tas Group Wages}}{\text{Australian Group Wages}} \times \text{threshold}$	$\frac{\$1\,475\,000}{\$3\,000\,000} \times \$1\,250\,000 = \$614\,583.33$	$\frac{\$1\,475\,000}{\$3\,000\,000} \times \$373\,287.67 = \$183\,533.11$
Calculation of employer's tax payable for the period		
Employer's Tas wages for the period	\$ 750 000.00	\$ 750 000.00
Less: Threshold for the period	<u>\$ 614 583.33</u>	<u>\$ 183 533.11</u>
Tax on the balance	\$ 135 416.67 x 6.1 per cent = \$8 260.42	\$ 566 466.89 x 6.1 per cent = \$34 554.48
	Other grouped employers pay payroll tax at the rate of 6.1 per cent of their taxable wages (i.e. without deduction of any threshold amount).	
Tax payable for the financial year	\$8 260.00	\$34 554.48

4. Grouped employer with threshold shared between all group members

Taxable wages details:		Annual – Full Period		Annual – Part Period	
Employer A Tas wages	\$ 500 000	1 July 2017 – 30 June 2018		All group members employ in Tas from 10 November 2017 – 30 June 2018 (233 days)	
Employer B Tas wages	\$ 700 000				
Employer C Tas wages	\$ 800 000				
Group Interstate wages	\$7 000 000				
Aust group wages	\$9 000 000				

Calculation of threshold for period of employment		
No. of days employing	365	$\frac{365}{365} \times \$1\,250\,000 = \$1\,250\,000$
No. of days in period	365	

Calculation of groups threshold for period of employment	Employer A	Employer B	Employer C	Employer A	Employer B	Employer C
	Tas group wages $\frac{\text{wages}}{\text{threshold}} \times \text{threshold}$	$\frac{\$500\,000}{\$1\,250\,000} \times \$1\,250\,000$	$\frac{\$700\,000}{\$1\,250\,000} \times \$1\,250\,000$	$\frac{\$800\,000}{\$1\,250\,000} \times \$1\,250\,000$	$\frac{\$500\,000}{\$797\,945.21} \times \$797\,945.21$	$\frac{\$700\,000}{\$797\,945.21} \times \$797\,945.21$
Aust group wages	\$9 000 000	\$9 000 000	\$9 000 000	\$9 000 000	\$9 000 000	\$9 000 000
	= \$69 444.44	= \$97 222.22	= \$111 111.11	= \$44 330.29	= \$62 062.40	= \$70 928.46

Calculation of employer's tax payable for the period	Employer A	Employer B	Employer C	Employer A	Employer B	Employer C
Employer's TAS wages for the period	\$ 500 000.00	\$ 700 000.00	\$ 800 000.00	\$ 500 000.00	\$ 700 000.00	\$ 800 000.00
Less: Threshold for the period	<u>\$ 69 444.44</u>	<u>\$ 97 222.22</u>	<u>\$ 111 111.11</u>	<u>\$ 44 330.29</u>	<u>\$ 62 062.40</u>	<u>\$ 70 928.46</u>
	\$ 430 555.56	\$ 602 778.78	\$ 688 889.00	\$ 455 669.71	\$ 637 937.60	\$ 729 071.54
Tax on the balance	x 6.1% = \$26 263.89	x 6.1% = \$36 769.44	x 6.1% = \$42 022.22	x 6.1% = \$27 795.85	x 6.1% = \$38 914.19	x 6.1% = \$44 473.36

Tax payable for the financial year	Employer A	Employer B	Employer C	Employer A	Employer B	Employer C
	\$26 263.89	\$36 769.44	\$42 022.22	\$27 795.85	\$38 914.19	\$ 44 473.36

5. Grouped employer with Nominated Taxpayer Liabe (Form 4)

Taxable wages details:		Annual – Full Period	Annual – Part Period			
Employer A Tas wages	\$1 800 000 *	1 July 2017 – 30 June 2018	8 March 2018 – 30 June 2018 (115 days)			
Employer B Tas wages	\$ 400 000					
Employer C Tas wages	<u>\$ 300 000</u>					
Total Tas group wages	\$2 500 000					
*Nominated member to lodge returns on behalf of all group member						
Calculation of threshold for period of employment						
No. of days employing	365		115			
_____ x threshold	_____ x \$1 250 000 = \$1 250 000		_____ x \$1 250 000 = \$393 835.62			
No. of days in period	365		365			
Calculation of employer's threshold for period of employment	Employer A (Nominated Member)	Employer B	Employer C	Employer A (Nominated Member)	Employer B	Employer C
Tas group wages	\$2 500 000			\$2 500 000		
_____ x threshold	_____ x \$1 250 000			_____ x \$393 835.62		
Tas group wages	\$2 500 000			\$2 500 000		
	= \$1 250 000	= NIL	= NIL	= \$393 835.62	= NIL	= NIL
Calculation of employer's tax payable for the period	Employer A (Nominated Member)	Employer B	Employer C	Employer A	Employer B	Employer C
Employer's Tas wages for the period	\$ 2 500 000			\$ 2 500 000.00		
Less: Threshold for the period	<u>\$ 1 250 000</u>			<u>\$ 393 835.62</u>		
	\$ 1 250 000			\$ 2 106 164.38		
Tax on the balance	x 6.1% = \$76 250.00	= NIL	= NIL	x 6.1% = \$128 476.03	= NIL	= NIL
Tax payable for the financial year	\$76 250.00	NIL	NIL	\$128 476.03	NIL	NIL