

Guideline

Payroll Tax rebate schemes for i) apprentices and trainees; and ii) youth employees

Introduction

Rebates are available for employers who pay payroll tax and commence employment of:

- **Youth employees** between 1 April 2020 and 30 June 2025 inclusive; and
- **Apprentices and/or trainees**
 - a) in the building, construction, tourism, hospitality and manufacturing industries between 1 July 2019 and 31 December 2021; or
 - b) in all industries between 1 January 2021 and 30 June 2025 inclusive.

Rebates are available for the following periods:

- Youth employees: one (1) year from the date the youth employee commenced employment;
- Apprentices and trainees: two (2) years from the day that the employee's training contract takes effect under the [Training and Workforce Development Act 2013](#).

Eligibility criteria

General

To receive payment of the rebate, employers must:

- have lodged their returns and paid their payroll tax by the due date to be eligible for the rebate for the same period;
- comply with all legislative requirements of the [Payroll Tax Act 2008](#) and the [Payroll Tax Rebate \(Apprentices, Trainees and Youth Employees\) Act 2017](#);
- provide any information requested by the Commissioner of State Revenue and cooperate with any compliance checks made by the State Revenue Office (SRO) within the time permitted, and/or repay any rebate payment received when demanded;
- not be the subject of any incomplete investigations in relation to payroll tax; and
- not have any unpaid payroll tax liabilities.

Youth employees

To be an eligible employee, a youth employee will:

- be employed within the period, 1 April 2020 to 30 June 2025;
- be aged between 15 and 24 years;
- be employed on a part time or full time basis (casual employees do not qualify);
- not be an apprentice or trainee; and
- not have been employed or engaged by the employer on 31 March 2020 or previously within the eligible period.

Apprentices and Trainees

Apprentices and trainees must meet the relevant definition in and be employed under a training contract that takes effect under the [Training and Workforce Development Act 2013](#).

► **Rebate - 1 July 2019 to 31 December 2020:** for apprentices and trainees employed during this period the following additional requirements must be met:

- The employer must fit within a group in the Construction Division (Division E), the Tourism and Hospitality Division (Division H), or the Manufacturing Division (Division C) of the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006.
- If a business does not fit within one of these ANZSIC Divisions, the employee may still be eligible for the rebate if they fit within a group of a division because of the:
 - workplace where they are employed;
 - title of qualification they will obtain; or
 - industry or principal activity as specified in the training contract.

Submitting claims

To register for either rebate, complete the [registration form](#) and return it to the SRO.

Following registration an electronic claim form (in excel) will be issued to you. You are required to:

- lodge your claims using this form, approved by the Commissioner of State Revenue;
- include any additional information requested by the Commissioner; and
- make your claim within the nine-month period immediately after the end of the relevant financial year.

Claims should be submitted and will be paid at the same frequency as the employer's payroll tax returns.

The maximum rebate payable will be either the payroll tax levied in respect of wages paid to eligible employees, or the total payroll tax paid, whichever is less.

The rebate may be used to offset any outstanding tax liabilities due and owing to the Crown.

Youth employees - evidence required

As evidence of eligibility, a copy of the employee's proof of age such as a birth certificate, passport, driver's licence, or proof of age card must be provided with the first claim for each youth employee.

Apprentices and trainees - evidence required

As evidence of eligibility, a copy of the training contract lodged with the Tasmanian Traineeships and Apprenticeships Committee (through [Skills Tasmania](#)) must be provided with the first claim for each apprentice or trainee.

Waivers and the rebate

The following waivers were introduced as part of the Tasmanian Government response to COVID-19:

- Payroll tax (Australian Group Wages less than \$5 million);
- Payroll tax (Hospitality, Tourism, and Seafood Industries);
- Waiver for the Commonwealth Government JobKeeper Payment; and
- [Tourism, hospitality and ancillary industries payroll tax waiver](#).

The rebate is **not** payable where the waivers apply because payroll tax is not payable for relevant wages. However, you may claim the rebate for eligible employees when the applicable waiver no longer applies.

Employment agents

For the purposes of the Scheme, if an eligible employee is employed or engaged within the eligible period by an employment agent (i.e. the employee is a service provider within the meaning of section 37 of the *Payroll Tax Act 2008*), the employment agent is taken to be the employer of the person. As with any other employer, the employment agent can then claim the rebate for the employee if they are eligible under the conditions of the Scheme.

Mergers, takeovers, acquisitions etc.

An employee is **not** an eligible employee for the Scheme if:

- they transfer their employment from one member of a payroll tax group to another member of a group; or
- that employee was employed or engaged as a result of a business merger, takeover, acquisition, transfer or similar transaction and as part of the that process, the new employer takes responsibility for any of the employee's entitlements.

Exception: an exception occurs where, immediately before the new employer employed or engaged the person, the person was an eligible employee under the *Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Act 2017* for his or her previous employer. The employee's eligibility for the rebate can continue from the previous employer. This means that rather than the time being re-set, the rebate will be payable only for the period remaining until the maximum duration of the rebate is reached.

More information from the SRO

The preferred contact method is email to taxhelp@treasury.tas.gov.au.