

# Revenue Ruling

Ruling Number	:	PTA010
Title	:	Wage subsidies
Tax Line	:	Payroll Tax
Legislative Reference	:	<i>Payroll Tax Act 2008</i>
Previous Ruling	:	PUB-PT-2008-11
Date of Ruling	:	1 July 2008
Attachments	:	-

## Preamble

The *Payroll Tax Act 2008* (the Act), which commenced on 1 July 2008, rewrote the *Pay-roll Tax Act 1971* and harmonised payroll tax legislation in Tasmania with Victoria and New South Wales. A summary of the jurisdictions that have adopted this Revenue Ruling is available at: <http://payrolltax.gov.au/revenue>.

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.

The purpose of this Revenue Ruling 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.

## Ruling

If an employer receives a subsidy from a government authority (whether State or Federal) in respect to wages paid to workers (eg a subsidy under the Wage Assistance Programme), 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.

**Please note that rulings do not have the force of law. Each decision made by the State Revenue Office is made on the merits of each individual case having regard to any relevant ruling.**

## More Information

Enquiries about this Revenue Ruling should be directed to the Legislation, Communication and Review Section on telephone (03) 6166 4400 or e-mail at [revenuereview@treasury.tas.gov.au](mailto:revenuereview@treasury.tas.gov.au).

All rulings must be read subject to Revenue Ruling, PUB-GEN-2014-5, "[Explanation and Status of Revenue Rulings](#)".



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