

# Revenue Ruling

Ruling Number	:	PTA015
Title	:	Workers' Compensation Payments
Tax Line	:	Payroll Tax
Legislative Reference	:	<i>Payroll Tax Act 2008</i>
Previous Ruling	:	PUB-PT-2008-16
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>.

The definition of taxable wages under the Act generally includes the amount shown as gross wages on an employee's payment summary. However, employers are sometimes uncertain whether payments of workers' compensation are taxable.

The purpose of this Revenue Ruling is to clarify how workers' compensation payments are treated for payroll tax purposes.

## Ruling

Payments of compensation made in accordance with the applicable workers' compensation schemes in Tasmania are not subject to payroll tax. This is the case whether or not the payment to the worker is made by the employer or the insurer.

However, compensation paid to incapacitated workers in excess of the amount prescribed by the relevant workers' compensation legislation (ie 'make-up pay') will be subject to payroll tax.

**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 in conjunction with the 'Explanation and Status of Revenue Rulings' available on the SRO website, <https://www.sro.tas.gov.au/resources/rulings>.



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**COMMISSIONER OF STATE REVENUE**

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