

Revenue Ruling

Ruling Number	:	PTA034
Title	:	Contributions to the Construction Industry Long Service Leave and Redundancy Funds
Tax Line	:	Payroll Tax
Legislative Reference	:	<i>Payroll Tax Act 2008</i>
Previous Ruling	:	-
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>.

In the building and construction industry, employers are required to contribute to:

1. a portable long service leave scheme, which provides long service leave benefits to employees employed in the industry; and
2. a redundancy fund, which provides redundancy benefits to workers employed in the industry.

In Tasmania, the portable long service leave scheme is administered by Tasbuild Ltd as trustee for the Construction Industry Long Service Fund in accordance with the *Construction Industry (Long Service) Act 1997*. Redundancy funds for employees in the building and construction industry in Tasmania are administered by ACIRT Pty Ltd, which is the trustee company of the funds.

The purpose of this Revenue Ruling is to clarify whether payroll tax is payable on contributions made to these funds.

Ruling

Under section 14 of the Act, the definition of wages includes fringe benefits as defined in the *Fringe Benefits Tax Assessment Act 1986* (Cth) (the FBT Act). A contribution to the Construction Industry Long Service Leave Fund or the approved redundancy funds administered by ACIRT Pty Ltd is not subject to payroll tax as long as the payment does not constitute a fringe benefit under the FBT Act. To determine whether or not a contribution is a fringe benefit taxable under the FBT Act, please contact the Australian Taxation Office.

A payment of long service leave benefit or redundancy benefit from any of these funds is not taxable because the Commissioner of State Revenue does not regard such payments as wages for payroll tax purposes.

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.

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



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Tasmania