

Guideline

Payroll Tax, Tasmania

Rates and Calculation of Payroll Tax in 2018-19

Payroll Tax Act 2008

Rates of payroll tax for the 2018-19 financial year

Type of wages	Threshold	Payroll Tax rate
Australian Wages or Australian Group Wages	\$1 250 000 or less	Payroll tax is not payable
Australian Wages or Australian Group Wages	More than \$1 250 000 but not more than \$2 000 000	4 per cent
Australian Wages or Australian Group Wages	More than \$2 000 000	6.1 per cent

- The threshold amounts of \$1 250 000 and \$2 000 000 are adjusted proportionately if you pay wages in both Tasmania and other states or territories, and/or pay wages in Tasmania for only part of the year.
- Where a taxpayer chooses not to apply the taxable threshold in Tasmanian Revenue Online, payroll tax is charged at 6.1 per cent of taxable Tasmanian wages.
- Payroll tax is calculated by rounding down to the next full dollar.

Definitions used in this guideline

Term	Definition
'Tas wages'	The wages paid by you which are taxable in Tasmania.
'Tas group wages'	The wages paid by you and other group members which are taxable in Tasmania.
'Group interstate wages'	The wages paid by you and other group members in other states and territories (excluding Tasmanian wages).
'Aust wages'	The total of wages paid by you in Tasmania and wages paid by you in other states and territories.
'Aust Group Wages'	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.
'TA threshold'	The threshold amount of \$1 250 000.
'TTB threshold'	The top tax bracket threshold of \$2 000 000.

Sample calculations

See pages 3 to 9 of this guideline for sample calculations of the threshold amounts for certain situations.

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)
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.

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.

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

Taxable wages details:	Annual – Full Period	Annual – Part Period
Tas wages \$2 400 000		
Aust wages \$3 000 000	1 July 2018 – 30 June 2019	15 January 2019 – 30 June 2019 (168 days*).
		<i>*168 days in which an employer paid or was liable to pay wages.</i>
Calculation of thresholds for period of employment		
<i>Initial Threshold</i> No. of days employing <hr style="width: 20%; margin-left: 0;"/> No. of days in period x TA threshold	365 <hr style="width: 20%; margin-left: 0;"/> 365 x \$1 250 000 = \$1 250 000	168 <hr style="width: 20%; margin-left: 0;"/> 365 x \$1 250 000 = \$575 343
<i>Subsequent Threshold</i> No. of days employing <hr style="width: 20%; margin-left: 0;"/> No. of days in period x TTB threshold	365 <hr style="width: 20%; margin-left: 0;"/> 365 x \$2 000 000 = \$2 000 000	168 <hr style="width: 20%; margin-left: 0;"/> 365 x \$2 000 000 = \$920 548
Calculation of employer's apportioned thresholds for period of employment		
<i>Apportioned Initial Threshold</i> Tas Wages <hr style="width: 20%; margin-left: 0;"/> Aust Wages x initial threshold	\$2 400 000 <hr style="width: 20%; margin-left: 0;"/> \$3 000 000 x \$1 250 000 = \$1 000 000	\$2 400 000 <hr style="width: 20%; margin-left: 0;"/> \$3 000 000 x \$575 343 = \$460 274
<i>Apportioned Subsequent Threshold</i> Tas Wages <hr style="width: 20%; margin-left: 0;"/> Aust wages x subsequent threshold	\$2 400 000 <hr style="width: 20%; margin-left: 0;"/> \$3 000 000 x \$2 000 000 = \$1 600 000	\$2 400 000 <hr style="width: 20%; margin-left: 0;"/> \$3 000 000 x \$920 548 = \$736 438

see next page for the remaining elements of this sample calculation...

Calculation of employer's tax payable for the period		
<i>Tax at 4%</i>		
Apportioned subsequent threshold for the period	\$1 600 000	\$ 736 438
Less Apportioned initial threshold for the period	<u>\$1 000 000</u>	<u>\$ 460 274</u>
Tax on the balance	\$ 600 000 x 4.0 per cent = \$24 000	\$ 276 164 x 4.0 per cent = \$11 047
<i>Tax at 6.1%</i>		
Taxable wages for the period	\$2 400 000	\$2 400 000
Less: Apportioned subsequent threshold for the period	<u>\$1 600 000</u>	<u>\$ 736 438</u>
Tax on the balance	\$ 800 000 x 6.1 per cent = \$48 800	\$1 663 562 x 6.1 per cent = \$101 477
Tax payable for the financial year	\$72 800	\$112 523

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

Taxable wages details:	Annual – Full Period	Annual – Part Period
Tas wages \$ 750 000		
Tas group wages \$1 475 000	1 July 2018 – 30 June 2019	14 March 2019 – 30 June 2019 (109 days*)
Aust group wages \$3 000 000		
		<i>*109 days in which an employer paid or was liable to pay wages.</i>
Calculation of thresholds for period of employment		
<i>Initial Threshold</i> No. of days employing <hr style="width: 50%; margin-left: 0;"/> No. of days in period x TA threshold	365 <hr style="width: 50%; margin-left: 0;"/> 365 x \$1 250 000 = \$1 250 000	109 <hr style="width: 50%; margin-left: 0;"/> 365 x \$1 250 000 = \$373 288
<i>Subsequent Threshold</i> No. of days employing <hr style="width: 50%; margin-left: 0;"/> No. of days in period x TTB threshold	365 <hr style="width: 50%; margin-left: 0;"/> 365 x \$2 000 000 = \$2 000 000	109 <hr style="width: 50%; margin-left: 0;"/> 365 x \$2 000 000 = \$597 260
Calculation of employer's apportioned thresholds for period of employment		
<i>Apportioned Initial Threshold</i> Tas Wages <hr style="width: 50%; margin-left: 0;"/> Aust group Wages x initial threshold	\$1 475 000 <hr style="width: 50%; margin-left: 0;"/> \$3 000 000 x \$1 250 000 = \$614 583	\$1 475 000 <hr style="width: 50%; margin-left: 0;"/> \$3 000 000 x \$373 288 = \$183 533
<i>Apportioned Subsequent Threshold</i> Tas Wages <hr style="width: 50%; margin-left: 0;"/> Aust group Wages x subsequent threshold	\$1 475 000 <hr style="width: 50%; margin-left: 0;"/> \$3 000 000 x \$2 000 000 = \$983 333	\$1 475 000 <hr style="width: 50%; margin-left: 0;"/> \$3 000 000 x \$597 260 = \$293 653

see next page for the remaining elements of this sample calculation...

Wages for period		
<i>Tax at 4%</i>		
Apportioned subsequent threshold for the period	\$ 983 333	\$ 293 653
Less Apportioned initial threshold for the period	\$ 614 583	\$ 183 533
Tax on the balance	\$ 368 750 x 4.0 per cent = \$14 750	\$ 110 120 x 4.0 per cent = \$4 404.80
<i>Tax at 6.1%</i>		
Taxable wages for the period	\$ 750 000	\$ 750 000
Less Apportioned subsequent threshold for the period	\$ 983 333	\$ 293 653
Tax on the balance	\$ -233 333 x 6.1 per cent = -\$14 233	\$ 456 347 x 6.1 percent = \$27 837.16
Tax for DGE	\$14 750 - \$14 233.30 = \$ 516	\$4 404.80 + \$27 837.16 = \$ 32 241
Tax for other Tas Group member (members)		
Tas group wages	\$1 475 000	\$1 475 000
Less Tas wages for the DGE	\$ 750 000	\$ 750 000
Tax on balance	\$ 725 000 x 6.1 per cent = \$44 225	\$ 725 000 x 6.1 per cent = \$44 225
Total Tasmanian tax for all group members	\$516 + \$44 225 = \$44 741	\$32 241 + \$44 225 = \$76 466

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 2018 – 30 June 2019	All group members employ in Tas from 10 November 2018 – 30 June 2019 (234 days*)
Employer B Tas wages \$ 700 000		
Employer C Tas wages \$ 800 000		
Group Interstate wages \$7 000 000		*234 days in which an employer paid or was liable to pay wages.
Aust group wages \$9 000 000		

Calculation of threshold for period of employment		
<i>Initial Threshold</i>		
No. of days employing	x TA threshold	
No. of days in period		
$\frac{365}{365}$	x \$1 250 000	= \$1 250 000
$\frac{234}{365}$	x \$1 250 000	= \$801 369.86
<i>Subsequent Threshold</i>		
No. of days employing	x TTB threshold	
No. of days in period		
$\frac{365}{365}$	x \$2 000 000	= \$2 000 000
$\frac{234}{365}$	x \$2 000 000	= \$1 282 191.78

Calculation of apportioned thresholds for period of employment	Employer A	Employer B	Employer C	Employer A	Employer B	Employer C
<i>Apportioned Initial Threshold</i>	\$500 000	\$700 000	\$800 000	\$500 000	\$700 000	\$800 000
_____ x threshold	_____ x \$1 250 000	_____ x \$1 250 000	_____ x \$1 250 000	_____ x \$801 370	_____ x \$801 370	_____ x \$801 370
Tas wages x threshold						
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	= \$44 520.55	= \$62 328.77	= \$71 232.88
<i>Apportioned Subsequent Threshold</i>	\$500 000	\$700 000	\$800 000	\$500 000	\$700 000	\$800 000
_____ x threshold	_____ x \$2 000 000	_____ x \$2 000 000	_____ x \$2 000 000	_____ x \$1 282 192	_____ x \$1 282 192	_____ x \$1 282 192
Tas wages x threshold						
Aust group wages	\$9 000 000	\$9 000 000	\$9 000 000	\$9 000 000	\$9 000 000	\$9 000 000
	= \$111 111.11	= \$155 555.56	= \$177 777.78	\$71 232.88	\$99 726.03	\$113 972.62

see next page for the remaining elements of this sample calculation...

Calculation of employer's tax payable for the period	Employer A	Employer B	Employer C	Employer A	Employer B	Employer C
<i>Tax at 4%</i>						
Apportioned subsequent threshold	\$ 111 111.11	\$ 155 555.56	\$ 177 777.78	\$ 71 232.88	\$ 99 726.03	\$ 113 972.62
Less: Apportioned initial threshold	<u>\$ 69 444.44</u>	<u>\$ 97 222.22</u>	<u>\$ 111 111.11</u>	<u>\$ 44 520.55</u>	<u>\$ 62 328.77</u>	<u>\$ 71 232.88</u>
	\$ 41 666.67	\$ 58 333.34	\$ 66 666.67	\$ 26 712.33	\$ 37 397.26	\$ 42 739.74
Tax on the balance @4%	\$1 666.67	\$2 333.33	\$2 666.67	\$1 068.49	\$1 495.89	\$1 709.59
<i>Tax at 6.1%</i>						
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: Apportioned subsequent threshold	<u>\$ 111 111.11</u>	<u>\$ 155 555.56</u>	<u>\$ 177 777.78</u>	<u>\$ 71 232.88</u>	<u>\$ 99 726.03</u>	<u>\$ 113 972.62</u>
	\$ 388 888.89	\$ 544 444.44	\$ 622 222.22	\$ 428 767.12	\$ 600 273.97	\$ 686 027.38
Tax on the balance @6.1%	\$23 722.22	\$33 211.11	\$37 955.56	\$26 154.79	\$36 616.71	\$41 847.67
Tax payable for the financial year	Employer A \$25 388	Employer B \$35 544	Employer C \$40 622	Employer A \$27 223	Employer B \$38 112	Employer C \$43 557

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

Taxable wages details:	Annual – Full Period	Annual – Part Period				
Employer A Tas wages \$1 900 000 *	1 July 2018 – 30 June 2019	8 March 2019 – 30 June 2019 (120 days*)				
Employer B Tas wages \$ 200 000						
Employer C Tas wages <u>\$ 300 000</u>						
Total Tas group wages \$2 400 000						
*Nominated member to lodge returns on behalf of all group member						
Calculation of thresholds for period of employment						
<i>Initial Threshold</i>						
No. of days employing	365	120				
_____ x TA threshold	_____ x \$1 250 000 = \$1 250 000	_____ x \$1 250 000 = \$410 959				
_____ No. of days in period	365	365				
<i>Subsequent Threshold</i>						
No. of days employing	365	120				
_____ x TTB threshold	_____ x \$2 000 000 = \$2 000 000	_____ x \$2 000 000 = \$657 534				
_____ No. of days in period	365	365				
Wages for period	Employer A (Nominated Member)	Employer B	Employer C	Employer A	Employer B	Employer C
<i>Tax at 4%</i>						
Subsequent threshold for the period	\$ 2 000 000			\$ 657 534		
Less Initial threshold for the period	<u>\$ 1 250 000</u>			<u>\$ 410 959</u>		
	\$ 750 000			\$ 246 575		
Tax on the balance @4%	\$ 30 000	= NIL	= NIL	\$9 863	= NIL	= NIL
<i>Tax at 6.1%</i>						
Taxable wages for the period	\$ 2 400 000			\$ 2 400 000		
Less Subsequent threshold for the period	<u>\$ 2 000 000</u>			<u>\$ 657 534</u>		
	\$ 400 000			\$ 1 742 466		
Tax on the balance @ 6.1%	\$ 24 400			\$ 106 290		
Tax payable for the financial year	\$54 400	NIL	NIL	\$116 153	NIL	NIL