

Payroll Tax Ruling PTA010

Wage Subsidies

Version	Issued	Dates of Effect	
1	1 July 2009	From: 1 July 2009	To: Current

PREAMBLE

The *Payroll Tax Act* (the Act), which commenced on 1 July 2009, rewrites the *Pay-roll Tax Act* to largely harmonise it with the legislation of other states.

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 Payroll Tax 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 (Territory or Commonwealth) in respect of wages paid to workers (e.g. 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 Territory Revenue Office is made on the merits of each individual case, having regard to any relevant ruling. Commissioner's Guideline CG-GEN-001, which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Ruling. All Circulars, Guidelines and Rulings are available from www.revenue.nt.gov.au.



Craig Vukman
COMMISSIONER OF TERRITORY REVENUE

For further information contact the Territory Revenue Office:

GPO Box 1974
DARWIN NT 0801

Tel: 1300 305 353
Fax: 08 8999 5577

Email: ntrevenue@nt.gov.au
Website: www.revenue.nt.gov.au