

Payroll Tax Ruling PTA024

Overnight Accommodation Allowances Paid to Truck Drivers

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.

Section 30 of the Act imposes payroll tax on accommodation allowances paid or payable to an employee in respect of a night's absence from the employee's usual place of residence to the extent that those allowances exceed the exempt rate. Generally, accommodation allowances are paid to an employee to cover temporary accommodation costs necessarily incurred while the employee is required to travel for work purposes (see Payroll Tax Ruling PTA005: Exempt Allowances – Motor Vehicle and Accommodation).

Under the Transport Workers (Long Distance Drivers) Award 2000 (the Award), where a long distance truck driver is unable to return home at night, the employer is required to pay the driver an allowance to cover the necessary personal expenses reasonably incurred in travelling. Further, the Award states that where the employer provides suitable accommodation acceptable to the union, the truck driver will not be entitled to the allowance. Under general circumstances, truck drivers do not incur accommodation expenses when travelling for work as they sleep in their trucks.

This Payroll Tax Ruling clarifies the payroll tax treatment of overnight allowances paid to truck drivers.

RULING

Overnight allowances paid to long distance truck drivers are exempt from payroll tax if the following criteria are satisfied:

1. the allowance is paid according to the terms of the Award; and
2. the amount is no more than the exempt rate for accommodation allowances under section 30 of the Act.

If an overnight allowance exceeds the exempt rate, the difference between the allowance and the exempt rate is subject to payroll tax (Payroll Tax Ruling PTA005).

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.



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