

Payroll Tax Ruling PTA015

Worker's Compensation Payments

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.

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 Payroll Tax Ruling is to clarify how worker's compensation payments are treated for payroll tax purposes.

RULING

Payments of compensation made in accordance with the workers' compensation scheme in the Territory 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 (i.e. '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 Territory Revenue Office decision 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 154
DARWIN NT 0801

Tel: 1300 305 353
Fax: 08 8999 5577

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