

Payroll Tax Ruling PTA030

Penalty Charges Under Superannuation Guarantee Charge

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.

Under section 17(1) of the Act, wages include superannuation contributions that employers pay, or are liable to pay, in respect of their employees, deemed employees and directors. Therefore, superannuation contributions are subject to payroll tax.

One of the items listed in the definition of superannuation contributions in section 17 of the Act is superannuation guarantee charge within the meaning of the *Superannuation Guarantee (Administration) Act 1992* (Cth) (SGA Act).

The purpose of this Payroll Tax Ruling is to clarify which components of a superannuation guarantee charge are subject to payroll tax.

RULING

Superannuation guarantee charge is made up of the:

1. total of the employer's individual superannuation guarantee charge shortfalls for the year;
2. employer's nominal interest component for the year; and
3. employer's administration component for the year.

The sum of these three components is subject to payroll tax.

An employer's superannuation guarantee charge may also include a penalty component. Any penalty component of a superannuation guarantee charge imposed under sections 49 or 59 of the SGA Act is not subject to payroll tax.

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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