

Revenue Ruling

Payroll Tax Act 2009

PTA015[V2]

WORKERS' COMPENSATION PAYMENTS

Preamble

The *Payroll Tax Act 2009* (the "Act"), which commenced on 1 July 2009, rewrote and repealed the *Pay-roll Tax Act 1971* and provides fully harmonised legislation with New South Wales, Victoria, Tasmania and Northern Territory.

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 Revenue Ruling is to clarify how workers' compensation payments are treated for payroll tax purposes.

Ruling

Payments of compensation made in accordance with the *Return to Work Act 2014* 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 *Return to Work Act 2014* (i.e. 'make-up pay') will be subject to payroll tax.

Further Information

Further information can be obtained from RevenueSA.

Location	RevenueSA State Administration Centre 200 Victoria Square East ADELAIDE SA 5000
Postal	Commissioner of State Taxation RevenueSA GPO Box 1353 ADELAIDE SA 5001
Telephone	(08) 8204 9880
Facsimile	(08) 8226 3805
Email	payrolltax@sa.gov.au
Website	www.revenuesa.sa.gov.au

History

This Revenue Ruling is effective from 14 June 2016 and replaces:

Document	Issue Date
PTA015 [V1]	1 July 2016

The Revenue Ruling has been updated to reflect the introduction of the *Return to Work Act 2014* which repealed the *Workers Rehabilitation & Compensation Act 1996*.

Graeme Jackson
COMMISSIONER OF STATE TAXATION
14 June 2016