

Revenue Ruling

Payroll Tax Act 2009

PTA036

PAYROLL TAX EXEMPTION FOR WAGES PAID TO APPRENTICES AND TRAINEES

Ruling

On 17 March 2010, the Government announced that a re-elected Labor Government would abolish payroll tax on wages paid to apprentices and trainees.

The Government has advised that legislation to implement this measure will be introduced into Parliament and that the provisions will be retrospective to 1 July 2010.

In the interim, until the legislation is in force, the Treasurer has approved an exemption being administered on the following basis:

- ▶ Wages paid or payable to an apprentice or trainee will be exempt in the following circumstances:
 - by an approved group training organisation;
 - by an employer (not a group training organisation) if the apprentice or trainee is undertaking training under:
 - a school-based training contract; or
 - an initial training contract between the employer and the apprentice or trainee; or
 - a training contract entered into prior to 1 July 2010 that is current on that date.

Wages paid or payable on or after 1 July 2010 to apprentices or trainees that meet the above eligibility criteria are exempt. However employers are required to report exempt wages in their annual reconciliation.

Payroll Tax Trainee Rebate Scheme

The exemption replaces the current administrative Payroll Tax Trainee Rebate Scheme, which ceased on 30 June 2010.

Please note that employers have until 31 December 2010 to claim rebates for prior periods. Please refer to [Information Circular No: 16 - Rebates](#) for further information.

Further Information

Further information can be obtained from RevenueSA.

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History

This Revenue Ruling is effective from 1 July 2010.

This is the first Revenue Ruling issued on this topic and replaces [Information Circular 12](#).

Mike Walker
COMMISSIONER OF STATE TAXATION

13 July 2010