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## Public Ruling Payroll Tax Act—Harmonised: **WORKERS' COMPENSATION PAYMENTS**

*A Public Ruling, when issued, is the published view of the Commissioner on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue/s it addresses. Where a change in legislation or case law (the law) affects the content of a Public Ruling, the change in the law overrides the Public Ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant, subsidy or exemption, as the case may be, in accordance with the law.*

### What this Ruling is about

1. The *Pay-roll Tax (Harmonisation) Amendment Act 2008* amended the *Pay-roll Tax Act 1971* (the Pay-roll Tax Act) with effect from 1 July 2008 to harmonise certain aspects of Queensland's pay-roll tax system with the systems of other jurisdictions.
2. The definition of 'taxable wages' under the Pay-roll Tax 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.
3. The purpose of this Public Ruling is to clarify how workers' compensation payments are treated for pay-roll tax purposes.

### Ruling and explanation

4. Payments of compensation made in accordance with the *Workers' Compensation and Rehabilitation Act 2003* (the Compensation Act) are not subject to pay-roll tax. This is the case whether or not the payment to the worker is made by the employer or the insurer.
5. However, compensation paid to incapacitated workers in excess of the amount prescribed by the Compensation Act (i.e. make up pay) will be subject to pay-roll tax.

## Date of effect

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6. This Public Ruling takes effect from 1 July 2008.

David Smith  
Commissioner of State Revenue  
Date of Issue 24 February 2009

## References

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Public Ruling	Issued	Dates of effect	
		From	To
PTA015.1	24 February 2009	1 July 2008	2 July 2009

Superseded