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**Public Ruling**  
**Pay-roll Tax Act—Harmonised:**  
**WAGE SUBSIDIES**

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*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

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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. From time to time, an employer may be eligible to receive a subsidy or partial reimbursement of wages paid from government authorities where the nature of employment accords with particular government policies. Under these circumstances, uncertainty may arise as to the amount that must be declared as wages.
3. The purpose of this Public Ruling is to clarify that where a wage subsidy has been received, the full amount of gross wages paid or payable to employees is subject to pay-roll tax.

## Ruling and explanation

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4. If an employer receives a subsidy from a government authority (whether State or Federal) in respect of wages paid to workers (e.g. a subsidy under the Wage Assistance Programme), the gross wages remain subject to pay-roll tax (subject to any exemptions applicable under the *Pay-roll Tax Act*).
5. The source of the funds used to pay wages to employees is not relevant in determining the pay-roll tax liability.
6. The employer does not cease to be an 'employer' for the purposes of the *Pay-roll Tax Act* merely because a wage subsidy has been received.

## Date of effect

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7. 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
PTA010.1	24 February 2009	1 July 2008	2 July 2009