

Contents	Page
What this Ruling is about	1
Ruling and explanation	1
Date of effect	2
References	2

Public Ruling Payroll Tax Act:

THE MASTER/SERVANT RELATIONSHIP

A Public Ruling, when issued, is the published view of the Commissioner of State Revenue (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 or exemption, as the case may be, in accordance with the law.

What this Ruling is about

1. The *Payroll Tax Act 1971* (the Payroll Tax Act) imposes payroll tax on taxable wages paid or payable by an employer.¹
2. Except where the Payroll Tax Act provides otherwise², the imposition of payroll tax is generally dependent on establishing the existence of a master/servant relationship (also called an employer/employee relationship).³
3. Public Ruling PTAQ000.1.1 outlined the matters which may be relevant in determining whether a contractual relationship is one of master/servant.
4. Public Ruling PTAQ000.1.1 is to be withdrawn.

Ruling and explanation

5. Public Ruling PTAQ000.1.1 is no longer in effect.
6. Reference should be had to Public Ruling PTA038.1 *Determining whether a worker is an employee* for further information on this topic.

¹ Sections 9 and 10 of the Payroll Tax Act

² Examples of where the imposition of payroll tax does not rely on the existence of a master/servant relationship include the contractor provisions in Part 2 Division 1A and the employment agent provisions in Part 2 Division 1B of the Payroll Tax Act.

³ *Glebe Administration Board v Commissioner of Pay-roll Tax (NSW)* 83 ATC 4269 at 4273 and 4274

Date of effect

7. This Public Ruling takes effect from 1 July 2011.

David Smith
Commissioner of State Revenue
Date of Issue 3 August 2011

References

Public Ruling	Issued	Dates of effect	
		From	To
PTAQ000.1.2	3 August 2011	1 July 2011	Current
PTAQ000.1.1	3 July 2009	24 February 2009	30 June 2011
Supersedes Revenue Ruling PY 3.2	1 July 2005	1 July 2005	23 February 2009