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 Pay-roll Tax (Harmonisation) Amendment Act 2008 amended the Payroll Tax Act 1971 (the Payroll Tax Act) with effect from 1 July 2008 to harmonise certain aspects of Queensland’s payroll tax system with the systems of other jurisdictions.

2. In the building and construction industry, employers are required to contribute to:
   (a) a portable long service leave scheme, which provides long service leave benefits to employees employed in the industry and
   (b) a redundancy fund, which provides redundancy benefits to workers employed in the industry.

3. In Queensland, the portable long service leave scheme is administered by the Building and Construction Industry (Portable Long Service Leave) Authority (trading as ‘QLeave’) in accordance with the Building and Construction Industry (Portable Long Service Leave) Act 1991 (the QLeave Scheme).

4. Redundancy funds for employees in the building and construction industry in Queensland (‘approved redundancy funds’) are funded by employers making contributions into the funds. An example of an approved redundancy fund in Queensland is the B.E.R.T. Fund which is administered by B.E.R.T. Pty Limited.

5. The purpose of this Public Ruling is to clarify whether payroll tax is payable on contributions made to these funds.
Ruling and explanation

6. The definition of ‘wages’ in the Schedule of the Payroll Tax Act includes fringe benefits as defined in the Fringe Benefits Tax Assessment Act 1986 (Cwlth) (the FBT Act).

7. A contribution to the QLeave Scheme or an approved redundancy fund is not subject to payroll tax as long as the payment does not constitute a fringe benefit under the FBT Act.

8. The Australian Taxation Office may provide assistance to determine whether or not a contribution is a fringe benefit taxable under the FBT Act.

9. A payment of long service leave benefit or redundancy benefit under or from the QLeave Scheme or an approved redundancy fund is not taxable because the Commissioner of State Revenue does not regard such payments as wages for payroll tax purposes.

Date of effect

10. This Public Ruling takes effect from the date of issue.

David Smith
Commissioner of State Revenue
Date of Issue 3 July 2009

References

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