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Public Ruling Payroll Tax Act:

EXTENSION OF 50% PAYROLL TAX REBATE FOR WAGES PAID TO APPRENTICES AND TRAINEES

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. This public ruling sets out the terms of an approved administrative arrangement announced as part of the 2021–22 State Budget, that provides an extension of the 50% payroll tax rebate for wages paid to apprentices and trainees for a further 12 months to include wages paid in the financial year ending 30 June 2022.
2. The *Payroll Tax Act 1971* (Payroll Tax Act) provides a payroll tax rebate for wages that are exempt from payroll tax under section 14(2)(j) and that are paid in an eligible year by an employer, or a designated group employer for a group (DGE), to a person who is an apprentice or trainee under the *Further Education and Training Act 2014*.¹
3. The rebate is available in addition to an exemption from payroll tax for these wages under s.14(2)(j) of the Payroll Tax Act.
4. An 'eligible year', for which the rebate is available, is a financial year ending 30 June 2010, 2011, 2012, 2016, 2017, 2018, 2019, 2020 or 2021.²
5. The rebate is the lesser of:
 - (a) an amount calculated in accordance with the formula in sections 27A(3)(a), 35A(4)(a) and 43A(3)(a) of the Payroll Tax Act. This is worked out by applying the appropriate rate of payroll tax to the applicable rebate percentage of the amount of wages exempt under section 14(2)(j) of the Payroll Tax Act for the particular period (periodic, annual or final return period)

¹ Sections 27A, 35A and 43A Payroll Tax Act

² Schedule, Payroll Tax Act, definition of 'eligible year'

- (b) the employer's or DGE's liability or payroll tax amount for the relevant period (periodic, annual or final return period).
6. For an eligible year ending on 30 June 2017, 2018, 2019, 2020 or 2021, the applicable rebate percentage is 50%. For any other eligible year, the applicable rebate percentage is 25%.

Ruling and explanation

7. The Payroll Tax Act will be administered on the basis that, for the rebate in sections 27A, 35A and 43A:
- (a) an 'eligible year' includes the financial year ending on 30 June 2022
- (b) for wages paid or payable during the financial year ending 30 June 2022, the formula in sections 27A(3)(a), 35A(4)(a) and 43A(3)(a) respectively is:

$$T \times W \div 2$$

where:

T = the appropriate payroll tax rate

W = the amount of wages exempt under section 14(2)(j) for the particular period (periodic, annual or final return period)

8. The definitions of terms as provided for in each of those sections will continue to apply, as will all other terms and conditions of the rebate.

Date of effect

9. This public ruling takes effect from the date of issue.

Mark Jackson
 Commissioner of State Revenue
 Date of issue: 1 July 2021

References

Public Ruling	Issued	Dates of effect	
		From	To
PTAQ000.5.1	1 July 2021	1 July 2021	Current