

Payroll Tax

Webinar 1:

Understanding the basics – what it is, how it works



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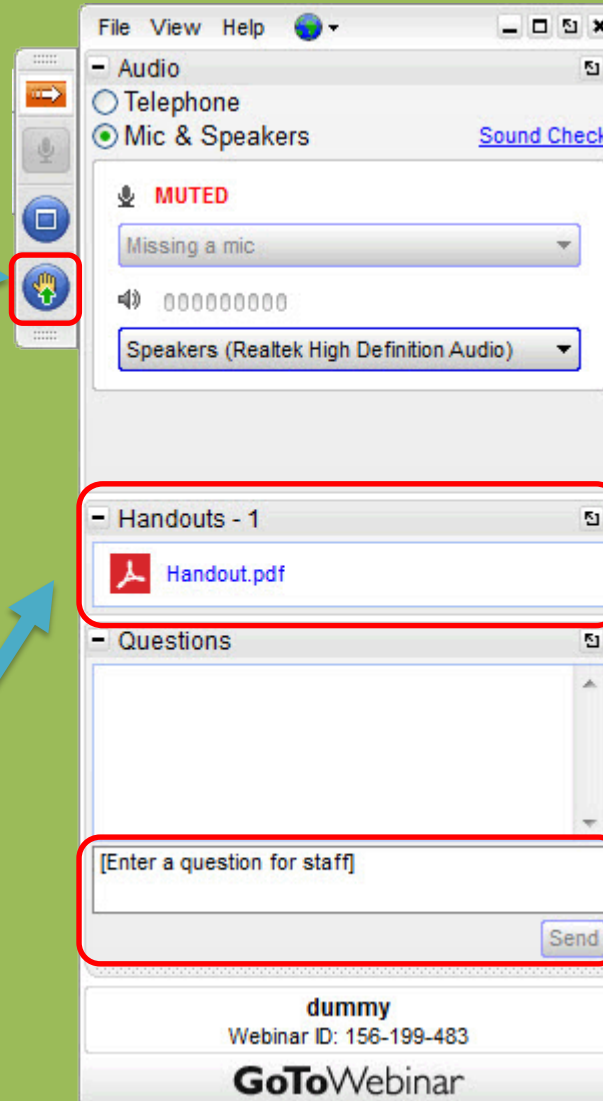
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Payroll Tax Webinars

- Webinar One** Understanding the basics – what it is, how it works
- Webinar Two** Allowances, FBT, exemptions and rebates
- Webinar Three** Contractors
- Webinar Four** Groupings

Agenda

- What is payroll tax?
 - Thresholds and rates
- What is taxable?
- Exclusion and exempt employers
- Interstate (and overseas) workers

Payroll Tax in a Nutshell

- **Self assessed** tax
- Usually paid monthly
- Apportioned tax free threshold amount for part year/interstate employers
- Harmonised legislation
- Employees or 'deemed employees'
- Liable employers are required to apply for registration



Tax Free Threshold – 2018-19

NSW	SA	VIC	QLD
\$850,000	\$600,000	\$650,000	\$1,100,000*

NT	TAS	WA	ACT
\$1,500,000*	\$1,250,000	\$850,000*	\$2,000,000

Liability in a state exists if:

1. Services are performed wholly in that state; and
2. Australia wide wages exceeds threshold

* **Note:** reduces as wages increase

Tax Free Threshold

Employing for full
financial year



Employing for
half financial year



Employing for
three quarters of
financial year



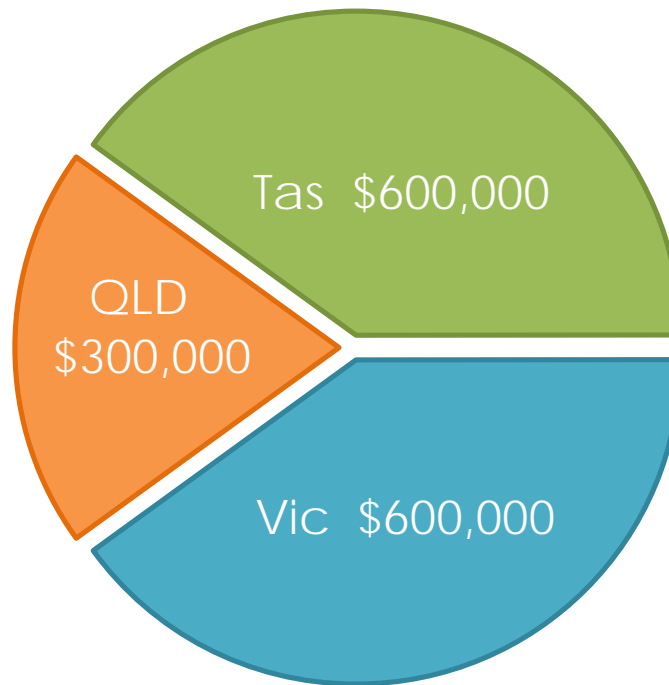
Tax Free Threshold

Total Australian Wages \$1,500,000

Adjusted Queensland Tax Free Threshold:

$$\frac{\$300,000}{\$1,500,000} \times \$1,100,000$$

= \$220,000



Adjusted Tasmanian Tax Free Threshold:

$$\frac{\$600,000}{\$1,500,000} \times \$1,250,000$$

= \$500,000

Adjusted Victorian Tax Free Threshold:

$$\frac{\$600,000}{\$1,500,000} \times \$650,000$$

= \$260,000

Payroll Tax Rates – 2018-19

NSW	SA	VIC	QLD
5.45%	Varies from 2.5% to 4.95% depending on wages paid for full financial year	4.85% 2.425% for regional Victorian employers	4.75%
NT	TAS	WA	ACT
5.5%	Varies from 4% to 6.1% depending on wages paid for full financial year	Varies from 5.5% to 6.5% depending on the annual Australian taxable wages paid	6.85%

What is Taxable?



Apprentices

SA	NSW	TAS	VIC
Taxable	Taxable [#] Rebate [*]	Taxable [#] Rebate [*]	Taxable [#]
QLD	NT	WA	ACT
Exempt [#] Rebate [*]	Taxable [#]	Exempt [#]	Taxable [#]

#Be mindful that some conditions apply – contact relevant revenue office for more information

*Rebate may also be available - contact relevant revenue office for more information

Leave Payments

Leave payments
are **taxable**

Sick leave

Leave loading

Long service
leave

Annual leave



Maternity and
adoption leave
are not taxable

Director's Fees



Shares & Options

Value of shares or options on 'the relevant day'
LESS any consideration paid by employee

```
graph TD; A["Value of shares or options on 'the relevant day'  
LESS any consideration paid by employee"] --> B["Grant Date"]; A --> C["Vesting Date"]; D["Market value or amount determined by  
Income Tax Assessment Act 1997"]
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Grant Date

Vesting Date

Market value or amount determined by
Income Tax Assessment Act 1997

Superannuation Contributions

All pre-tax superannuation contributions are **taxable**

Employees

Deemed employees

Company directors

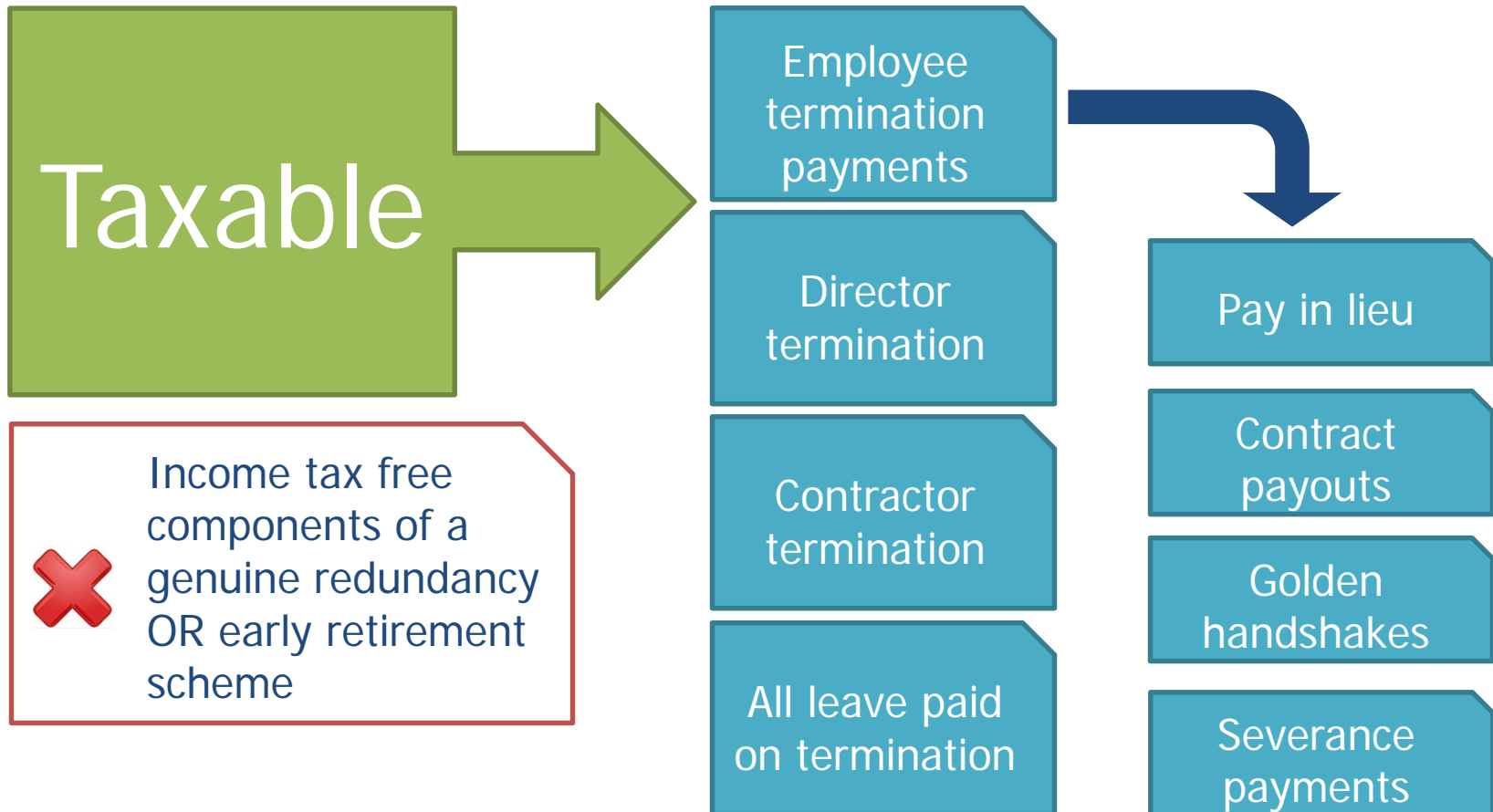
SGC amounts

>SGC amounts

Salary sacrifice

Top-up contributions

Termination Payments



Exemptions

Fire & Emergency Services Duty

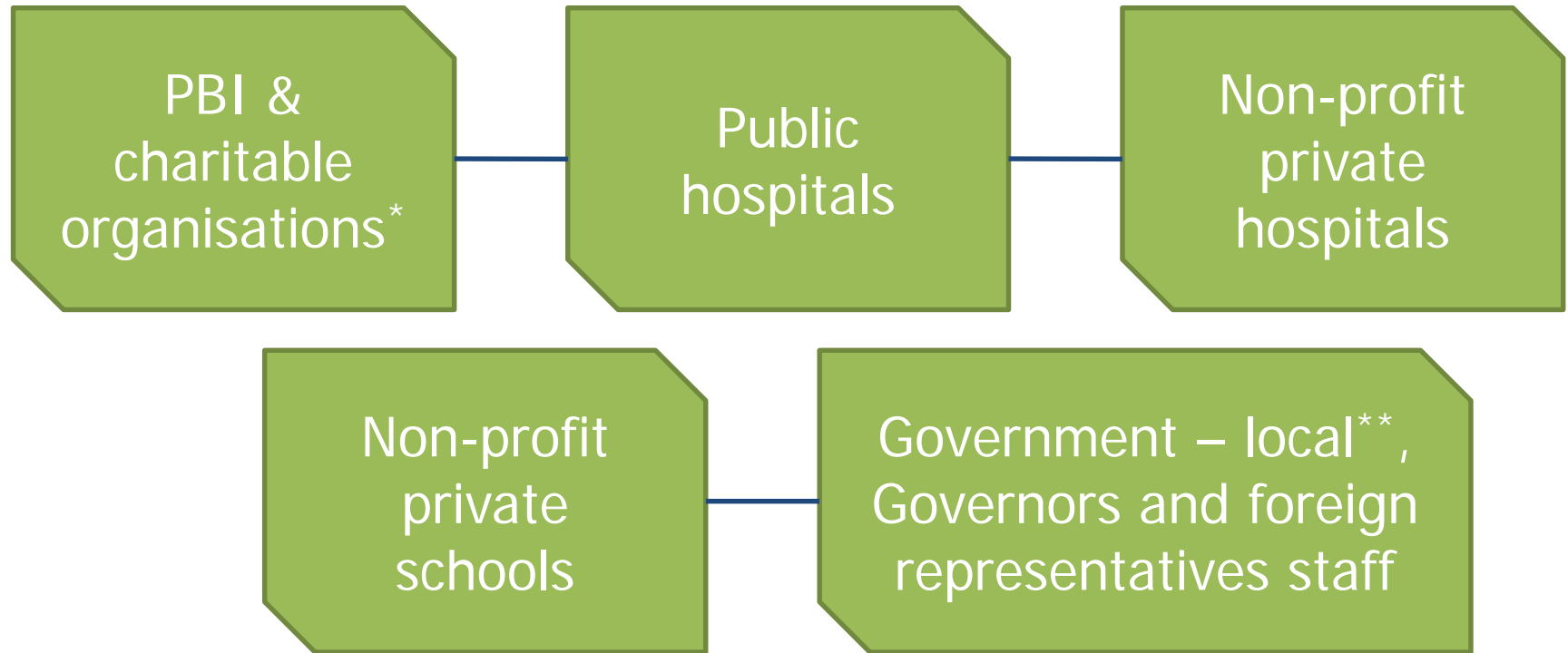
Defence Force Reserves Duty

Maternity & Adoption Leave

Worker's Compensation

Some conditions may vary between states and territories – please check for finer details with the relevant revenue office

Exempt Employers



In some states you need to apply for an exemption
Check with the relevant revenue office

*exemption criteria applies to charitable organisations in the Northern Territory, New South Wales, Queensland, Victoria and Western Australia

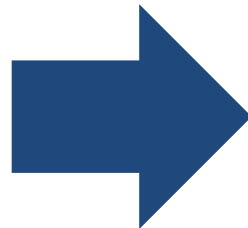
**not available in Tasmania

Where are Wages Taxable?

An area of confusion with payroll tax is how to treat wages paid to workers who work in other states/territories or overseas

General Rule

If the work is performed **solely** in one jurisdiction in a month



Wages taxable in **that jurisdiction**

Interstate Workers

The work is performed in **more than one** state/territory (and/or overseas) in a month

Wages are taxable where

1

The employee's principal place of residence is located

If no principal place of residence then

2

The employer's business is registered

If employer's business is not registered in Australia or does not have a principal place of business (PPB) then

Interstate Workers

The work is performed in **more than one** state/territory (and/or overseas) in a month

Wages are taxable where

3

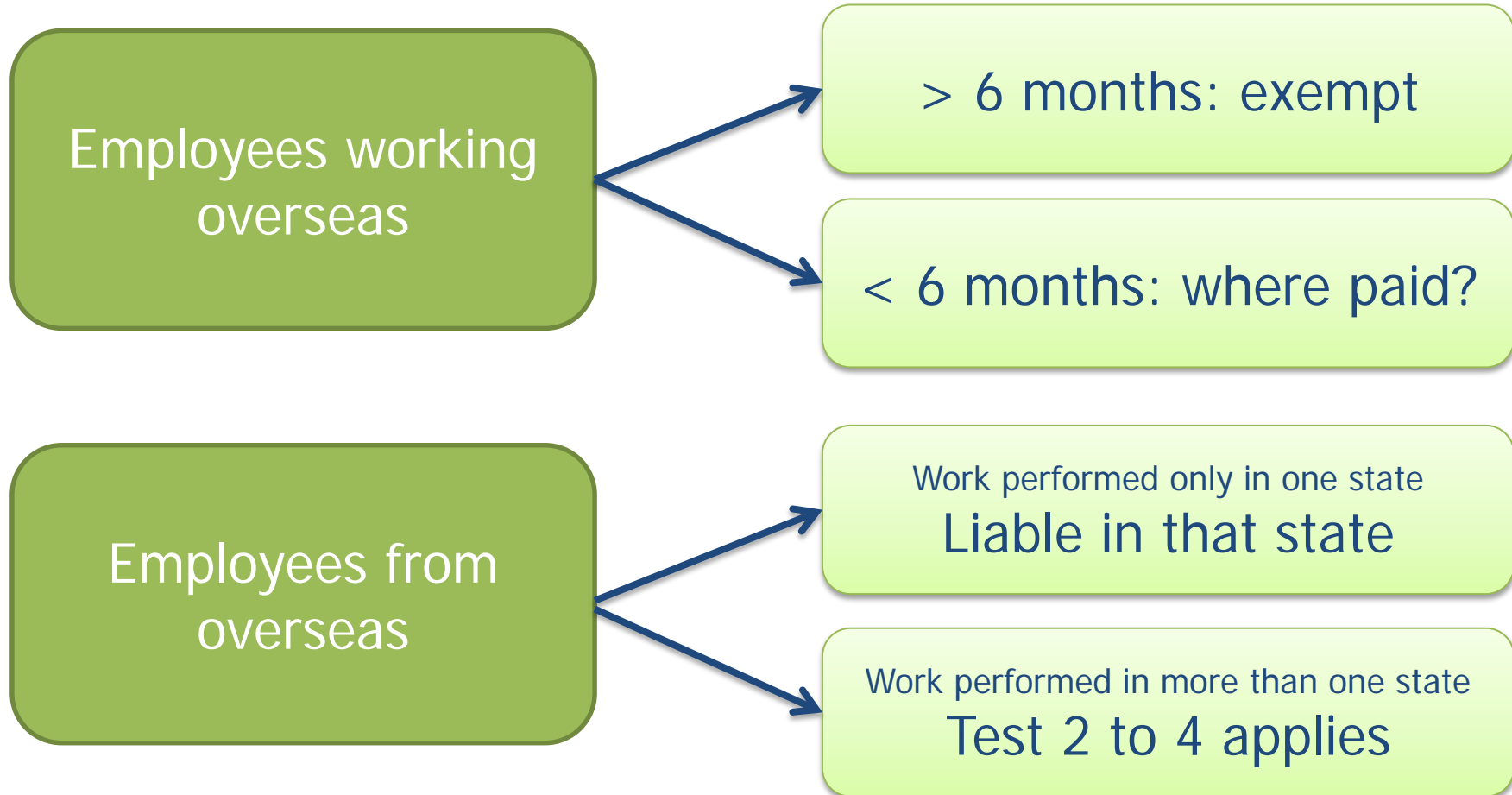
The bank account the employee's wages are paid into

If not paid into an Australian bank account then

4

Where the work is predominately performed

Overseas Workers



Further information



payroltax.gov.au

NSW

revenue.nsw.gov.au

SA

revenuesa.sa.gov.au

VIC

sro.vic.gov.au

QLD

qld.gov.au/osr

NT

treasury.nt.gov.au

TAS

sro.tas.gov.au

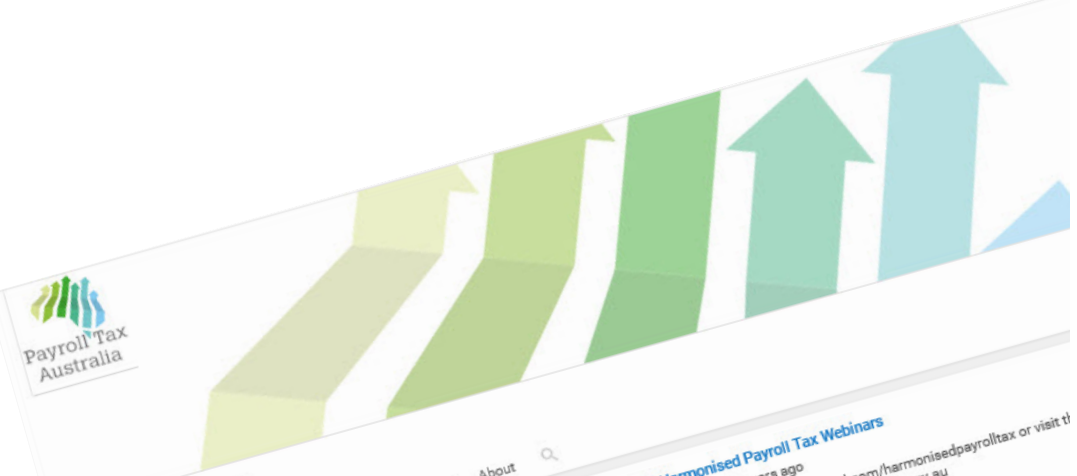
WA

osr.wa.gov.au

ACT

revenue.act.gov.au





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