

Payroll Tax

From 1 July 2008, the Queensland Government has introduced measures to harmonise payroll tax with other states. Therefore, we would like to remind everyone of their possible payroll tax obligations.

Pay-roll tax is a state tax based on the annual pay-roll of employers. Pay-roll tax should not be confused with employee PAYG Income Tax, collected by the Australian Taxation Office. Pay-roll tax is chargeable when the annual wages of an employer, or those of a group of employers, exceed the current exemption threshold of \$1,000,000 in QLD or \$623,000 in NSW.

There are also new arrangements for the payment of payroll tax for apprentices and trainees in NSW. Prior to 1 July 2008, wages paid to apprentices and new entrant trainees in NSW were exempt from payroll tax. From 1 July 2008, this exemption no longer applies and all employers are required to include the wages and salaries paid to apprentices and new entrant trainees in their payroll tax calculation.

Pay-roll tax registration is required within seven days after the end of the month in which, for the first time, the total weekly wages of the employer exceeds \$19,230 in QLD or monthly wages exceed \$51,205 in NSW.

Annual returns need to be lodged with details of wages by 21 July each year. In your annual return, you are required to include the following breakdown of your wages paid or payable between 1 July and 30 June for each financial year:

- gross salary and wages
- allowances
- bonuses
- commission
- directors' fees
- employer superannuation contributions
- fringe benefits
- termination payments.

The current pay-roll tax rate is 4.75% in QLD or 5.75% in NSW.