

pay-roll tax

Pay-roll tax (PRT) is a state tax, based on the annual pay-roll of employers, including superannuation contributions for employees. PRT is payable and registration is necessary, when total Australian taxable wages (of an employer or group of employers) exceed the exemption threshold. Annual returns are required to be lodged by 21 July each year.

financial year	tax rate	exemption threshold
2008/09	4.75%	1,000,000
2007/08	4.75%	1,000,000
2006/07	4.75%	1,000,000
2005/06	4.75%	850,000

Employers need to be aware of the possibility that growing staff wages + superannuation may trigger a liability for pay-roll tax. *Taxable wages* include payments for the following:-

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

From 1 July 2008, changes to pay-roll tax were introduced to align Queensland pay-roll tax with NSW and Victoria.

Points to note are:-

- allowances for motor vehicle and overnight accommodation will be taxable only if paid in excess of the ATO rate (currently 70 cents/km for vehicles, and \$201.25 per night for overnight accommodation)
- pay-roll tax is payable on amounts paid under “relevant contracts”
- fringe benefits (grossed up by the statutory rate) are subject to pay-roll tax.

Further information is available from the pay-roll tax section of the Office of State Revenue website www.osr.qld.gov.au.