



PAYROLL TAX Wages Subsidies

1. The *Pay-roll Tax Assessment Amendment Act 2010* amended the *Pay-roll Tax Assessment Act 2002* ('the Act') with effect from 1 July 2009 to harmonise the legislation of Western Australia's payroll tax system with the legislation of other jurisdictions.

Introduction

2. From time to time, an employer may be eligible to receive a subsidy or partial reimbursement of wages paid from government authorities where the nature of employment accords with particular government policies. Under these circumstances, uncertainty may arise as to the amount that must be declared as wages.
3. The purpose of this revenue ruling is to clarify that where a wage subsidy has been received, the full amount of gross wages paid or payable to employees is subject to payroll tax.

Ruling

4. If an employer receives a subsidy from a government authority (whether State or Federal) in respect of wages paid to workers (e.g. a subsidy under the Wage Assistance Programme), the gross wages remain subject to payroll tax. The source of the funds used to pay wages to employees is not relevant in determining the payroll tax liability. In addition, the employer does not cease to be an employer merely because a wage subsidy has been received.
5. Please note that rulings do not have the force of law. Each decision made by the Commissioner of State Revenue is made on the merits of each individual case having regard to any relevant ruling.

Ruling History

Revenue Ruling	Issued	Effective Dates	
		From	To
PTA 010.1	24 June 2010	24 June 2010	Current