



## Queensland Government

Office of  
State Revenue

July 2000

### Pay-roll Tax Bulletin

No. 04

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#### **Reduction in pay-roll tax rate**

For wages paid or payable on and from 1 July 2000 the pay-roll tax rate is 4.9%. The new rate will be printed on returns beginning with the return for July 2000.

#### **Changed treatment of apprentices and trainees wages**

Wages paid or payable to apprentices and trainees for services performed on or after 1 July 2000 should not be included in the return for July 2000 or subsequent returns.

The *Pay-roll Tax Act 1971* is to be amended retrospectively to exclude from taxable wages those wages paid to apprentices and trainees where:

- (a) the apprentice/trainee is in an apprenticeship or traineeship that is an approved training scheme under the *Vocational Education, Training and Employment Act 1991* and the apprentice/trainee is employed under a training agreement approved under that Act; or
- (b) the apprentice/trainee is in an apprenticeship or traineeship declared under the *Training and Employment Act 2000* and is employed under an apprenticeship or traineeship contract registered under that Act.

The exemption will not apply to wages paid to other categories of employees who may be eligible for rebate under the existing rebate schemes for the long-term unemployed (15-19 age group) or the Community Jobs Plan. Because those wages will remain taxable, employers must include them in their returns and may apply for a rebate subject to the usual qualifying conditions. For further details, contact the Office of State Revenue.

**(Please note: From 1 December 2002 this treatment of trainees wages has been superseded by Pay-roll Tax Bulletin No.6)**

## **GST component of taxable wages excluded from pay-roll tax**

Most wage categories that attract pay-roll tax will not be subject to GST and will not increase upon commencement of the GST. However, there are some categories that may be subject to GST, such as certain directors' fees and certain payments made to workers who operate through employment agents. These wages may increase because suppliers may seek to recover the GST cost from the payer.

So that an increased level of pay-roll tax is not payable by employers who pay taxable wages which are subject to GST, the Queensland *Pay-roll Tax Act 1971* has been amended to exclude the GST component from pay-roll tax.

On 19 July 2000, the Office of State Revenue issued a Revenue Ruling, Pay-roll Tax – PY6.1, “Pay-roll Tax on Taxable Wages that include a GST Component”. The full text of the ruling is available on our Website.

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