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Reduction in pay-roll tax rate

from **4.8%** → to **4.75%**

As announced in the 2001-2002 State Budget, the pay-roll tax rate is 4.75% for wages paid or payable on and from **1 July 2002**. The new rate will be printed on returns beginning with the return for **July 2002**.

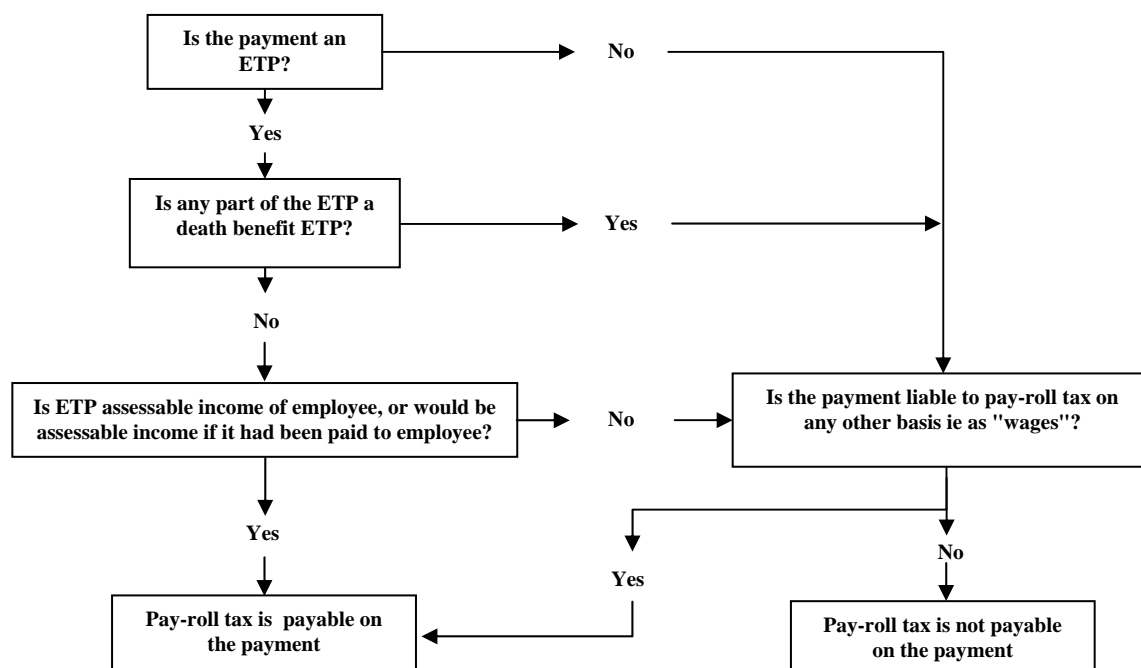
Please adapt your payroll system so that you pay at the correct rate when you lodge your returns for 2002-2003.

Changed treatment of payments on termination of employment

The 2001-2002 State Budget also announced that the pay-roll tax concession involving termination payments would be removed from 1 July 2002.

On and from 1 July 2002, pay-roll tax will be payable on a “taxable ETP”. “Taxable ETP” is defined as an eligible termination payment (ETP) that would be assessable under the *Income Tax Assessment Act 1936* (Cwlth) if paid to an employee, but will not include a death benefit ETP. It is important to note that a payment can still be liable for pay-roll tax even though it is not taxable as a “taxable ETP”. This is because it may fall under one of the other paragraphs of the definition of “wages”.

To determine whether a termination payment is liable for pay-roll tax use the following chart:



Pay-roll tax now imposed on grossed-up value of fringe benefits

The 2001-2002 State Budget also announced that pay-roll tax concessions on fringe benefits would be removed from 1 July 2002.

On and from 1 July 2002, the value of fringe benefits must be grossed-up for pay-roll tax purposes, in the same way that they are grossed-up for fringe benefits tax purposes under the *Fringe Benefits Tax Assessment Act 1986* (Cwlth).

Therefore, the value of taxable wages that are fringe benefits will, on and from 1 July 2002, be the fringe benefits taxable amount under the *Fringe Benefits Tax Assessment Act 1986* (Cwlth).

Change to Office of State Revenue Cashier Hours (Brisbane)

Please note that "Cashier Hours" in the Brisbane Office are now **8:30am to 4:30pm** Monday to Friday. Regional Offices in Rockhampton, Townsville and Cairns remain unchanged at **8:00am to 4:00pm** Monday to Friday.

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From Interstate: 07 3227 8903

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