

# Payroll tax matrix

The table below provides a summary of payroll tax rates and exemption thresholds for FY11 across Australia's states and territories. It also outlines the remuneration items that attract payroll tax in each jurisdiction. This matrix is useful both for companies with employees in one state/territory or in multiple jurisdictions across Australia.

November 2010

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Rate of tax	5.5% / 5.45% <sup>(4)</sup>	4.9% <sup>(13)</sup>	4.75% <sup>(20)</sup>	4.95% <sup>(28)</sup>	5.5% <sup>(33)</sup>	6.1% <sup>(39)</sup>	5.9% <sup>(43)</sup>	6.85% <sup>(48)</sup>
Annual Australian wages threshold <sup>(1)</sup>	\$658,000 <sup>(5)</sup>	\$550,000 <sup>(14)</sup>	\$1,000,000 <sup>(21)</sup>	\$600,000 <sup>(29)</sup>	\$750,000 <sup>(34)</sup>	\$1,010,000 <sup>(40)</sup>	\$1,250,000 <sup>(44)</sup>	\$1,500,000 <sup>(49)</sup>
<b>Benefit</b>	<b>DOES PAYROLL TAX APPLY?</b>							
Salaries and wages (e.g., bonuses, commissions, overtime, annual/ long service leave)	YES	YES	YES	YES	YES	YES	YES	YES
Allowance (excluding prescribed allowances)	YES	YES	YES	YES	YES	YES	YES	YES
Prescribed allowances								
▶ Motor vehicle allowance	Exempt up to 75c/km <sup>(6)</sup>	Exempt up to 75c/km <sup>(15)</sup>	Exempt up to 75c/km <sup>(22)</sup>	Exempt up to 75c/km <sup>(30)</sup>	Exempt up to 75c/km <sup>(35)</sup>	Exempt up to 75c/km <sup>(30)</sup>	Exempt up to 75c/km <sup>(30)</sup>	Exempt up to 75c/km <sup>(30)</sup>
▶ Accommodation allowance	Exempt up to \$227.35 /night <sup>(7)</sup>	Exempt up to \$227.35 /night <sup>(16)</sup>	Exempt up to \$227.35 /night <sup>(23)</sup>	Exempt up to \$227.35 /night <sup>(31)</sup>	Exempt up to \$227.35 /night <sup>(36)</sup>	Exempt up to \$227.35 /night <sup>(31)</sup>	Exempt up to \$227.35 /night <sup>(31)</sup>	Exempt up to \$227.35 /night <sup>(31)</sup>
Reimbursements of business costs	NO	NO	NO	NO	NO	NO	NO	NO
Termination payments								
▶ In lieu of notice	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES	YES <sup>(8)</sup>
▶ Long service/ annual leave	YES <sup>(9)</sup>	YES <sup>(8)</sup>	YES	YES	YES	YES	YES	YES
▶ Redundancy payments	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>
▶ Rolled over transitional payment	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>	YES <sup>(8)</sup>
Workers compensation payments	No (except make up payments)	No (except make up payments)	No (except make up payments)	No (except make up payments)	No (except make up payments)	No (except make up payments)	No (except make up payments)	No (except make up payments)
Employer superannuation contributions	YES	YES	YES	YES	YES	YES	YES	YES
Salary sacrifice superannuation	YES	YES	YES	YES	YES	YES	YES	YES
Fringe benefits	Gross up taxable value using type 2 rate only <sup>(10)</sup>	Gross up taxable value using type 2 rate only <sup>(17)</sup>	Gross up taxable value using type 2 rate only <sup>(24)</sup>	Gross up taxable value using type 2 rate only <sup>(24)</sup>	Gross up taxable value using type 2 rate only <sup>(37)</sup>	Gross up taxable value using type 2 rate only <sup>(41)</sup>	Gross up taxable value using type 2 rate only <sup>(45)</sup>	Gross up taxable value using type 2 rate only <sup>(2)</sup>
Employee share plan benefits	YES <sup>(11)</sup>	YES <sup>(18)</sup>	YES <sup>(25)</sup>	YES <sup>(25)</sup>	YES <sup>(38)</sup>	YES <sup>(42)</sup>	YES <sup>(46)</sup>	YES <sup>(50)</sup>
Contractors (exemptions may apply)	YES	YES	YES <sup>(26)</sup>	YES	NO (anti-avoidance provisions may apply)	YES	YES <sup>(47)</sup>	YES
Employment agency staff	Employment agency	Employment agency <sup>(19)</sup>	Employment agency	Employment agency	Employment agency	Employment agency	Employment agency	Employment agency
Adoption/ maternity leave <sup>(2)</sup>	NO	NO	NO	NO	NO	NO	NO	NO
Apprentices/ trainees <sup>(3)</sup>	YES <sup>(12)</sup>	YES <sup>(12)</sup>	NO <sup>(27)</sup>	YES	NO	YES	NO	NO
Due date - monthly returns	7th of the following month	7th of the following month	7th of the following month	7th of the following month	7th of the following month	7th of the following month	21st of the following month	7th of the following month
Due date - annual reconciliation	21 July	21 July	21 July	21 July <sup>(32)</sup>	21 July	21 July	21 July	31 July

## Footnotes

1	Employers or groups of employers, who pay interstate wages are not entitled to the full deduction in each State or Territory. Instead a partial deduction may be calculated according to the ratio of each State or Territory's taxable wages to the total Australian wages.	25	From 1 July 2008, employee share plan benefits are subject to payroll tax. Prior to this, there was no clear position on payroll tax treatment of employee share plan benefits in Queensland.	
2	Exempt up to 14 weeks in Victoria (1 January 2003), ACT (1 July 2005), NSW (1 July 2007), NT and WA (1 July 2009) and Queensland, South Australia and Tasmania (1 July 2008). Paternity leave is also exempt in Queensland (1 July 2008), NSW (1 July 2010), NT and WA (1 July 2009). In the ACT, Primary Care Leave is also exempt (1 July 2005).	26	From 1 July 2008, contractors may be included as taxable wages under the relevant contract provisions.	
3	The definition of apprentice varies between the states. In NSW, South Australia and Queensland a separate rebate may apply.	27	In Queensland, employers are also currently entitled to an incentive rebate of 25% for hiring apprentices and trainees, to 30 June 2011. Availability of this rebate is subject to the arrangements satisfying a number of additional requirements.	
4	5.45% from 1 January 2011 5.5% from 1 July 2010 5.65% from 1 January 2010	28	4.95% from 1 July 2009 5.00% from 1 July 2008	5.25% from 1 July 2007 5.5% from 1 July 2004
5	\$658,000 from 1 July 2010 \$638,000 from 1 July 2009	29	\$600,000 from 1 July 2009 \$552,000 from 1 July 2008	\$504,000 from 1 July 2002
6	75 cents from 1 July 2009 70 cents from 1 July 2007	30	75 cents from 1 July 2009 70 cents from 1 July 2008 56 cents from 1 January 1990 (SA) 55.56 cents from 1 July 2002 (Tas)	53.5 cents from 1 July 2002 (ACT) Prior to 1 July 2008 no exemption was available in NT
7	\$227.35 per night from 1 July 2010 \$223.80 per night from 1 July 2009 \$218.30 per night from 1 July 2008	31	\$227.35 per night from 1 July 2010 \$223.80 per night from 1 July 2009 \$218.30 per night from 1 July 2008 \$127.60 per night from 1 July 1990 (SA)	\$100 per night from 1 July 2002 (Tas) \$130 per night from 1 July 2002 (ACT) Prior to 1 July 2008 no exemption was available in NT
8	From 1 July 2001 (Victoria), 1 July 2002 (NSW, Queensland, South Australia, NT and ACT) and 1 July 2003 (WA and Tasmania), payroll tax is payable on employment termination payments that would be subject to income tax if the whole payment had been paid to the employee. Excludes the exempt components for income tax purposes.	32	From 1 July 2010, the annual reconciliation is due within 21 days following the end of the payroll tax year. Prior to 30 June 2010, the annual reconciliation was due within 28 days following the end of the payroll tax year	
9	Prior to 1 July 2003, payments for unused annual leave, sick leave and long service leave which accrued before 1 January 1990 were exempt from payroll tax.	33	5.5% from 1 January 2005	6.0% from 1 July 2003
10	From 1 July 2007, the grossed up taxable value of fringe benefits using the type 2 rate only is subject to payroll tax. From 1 July 2003 to 30 June 2007, the grossed up value of fringe benefits as calculated for FBT purposes was subject to payroll tax.	34	\$750,000 from 1 July 2008	\$675,000 from 1 July 1997
11	From 1 July 2003, employee share plan benefits provided to employees are subject to payroll tax. From 1 July 2005, market priced options are also subject to payroll tax.	35	75 cents from 1 July 2009 70 cents from 1 July 2007	67 cents from 1 July 2006
12	Exemptions for apprentices employed by not for profit organisations apply.	36	\$227.35 per night from 1 July 2010 Prior to 1 July 2009, the prescribed amount varied depending on the location of the accommodation; in WA \$110 per night, elsewhere in Australia \$145 per night, overseas \$200 per night.	\$223.80 per night from 1 July 2009
13	4.9% from 1 July 2010 4.95% from 1 July 2008 5.05% from 1 January 2007	37	From 1 July 2009, the grossed up taxable value of fringe benefits using the type 2 rate only is subject to payroll tax. From 1 January 2002, the grossed up value of fringe benefit as calculated for FBT purposes was subject to payroll tax with the exception of LAFHA and non work related and otherwise deductible benefits.	
14	\$550,000 from 1 July 2002	38	From 1 July 1997, employee share schemes are subject to payroll tax (but excluded market priced options.) From 1 July 2009, the legislation regarding the valuation of share plan benefits was amended to harmonise with the other Australian jurisdictions.	
15	75 cents from 1 July 2009 70 cents from 1 July 2007	39	6.10% from 1 July 2003	
16	\$227.35 per night from 1 July 2010 \$223.80 per night from 1 July 2009 \$218.30 per night from 1 July 2008	40	\$1,010,000 from 1 July 2002	
17	From 1 July 2007, the grossed up taxable value of fringe benefits using the type 2 rate only is subject to payroll tax. From 1 July 2001 to 30 June 2007, the grossed up value of fringe benefits as calculated for FBT is subject to payroll tax.	41	From 1 July 2008, the grossed up taxable value of fringe benefits using the type 2 rate only is subject to payroll tax. From 1 July 2003, the grossed up taxable value of fringe benefits is subject to payroll tax.	
18	From 1 July 2007, employee share plan benefits provided to employees are subject to payroll tax.	42	From 1 July 2008, employee share plan benefits are subject to payroll tax. Prior to 1 July 2008, only salary sacrificed employee share plan benefits were subject to payroll tax.	
19	From 1 January 2005, the employment agency is liable for payroll tax for payments made to on-hired workers.	43	5.9% from 1 July 2008 6.2% from 1 July 2003	
20	4.75% from 1 July 2002	44	\$1,250,000 from 1 July 2006	\$1,000,000 from 1 July 2005
21	The deduction for payroll tax is reduced by \$1 for every \$4 of wages over the threshold. Where total Australian wages exceed 5 times the threshold, no tax free threshold is available. \$1,000,000 from 1 July 2006 \$850,000 from 1 January 1998	45	From 1 July 2002, the grossed up taxable value of fringe benefits using the type 2 rate only is subject to payroll tax.	
22	75 cents from 1 July 2009 70 cents from 1 July 2008	46	From 1 July 2008, the legislation regarding the valuation of share plan benefits was amended to harmonise with NSW and Victoria From 1 July 1999, the value of benefits provided to employees under an employee share plan is subject to payroll tax (excluding market priced options).	
23	\$227.35 per night from 1 July 2010 \$223.80 per night from 1 July 2009	47	From 1 July 2009, contractors may be included as taxable wages under the relevant contract provisions.	
24	From 1 July 2008, the grossed up taxable value of fringe benefits using the type 2 rate only is subject to payroll tax. Car parking fringe benefits need to be included as taxable fringe benefits only if provided under an effective salary sacrifice arrangement (Queensland only). From 1 July 2002, the grossed up value of fringe benefits as calculated for FBT purposes is subject to payroll tax.	48	6.85% from 1 July 2000	
		49	\$1,500,000 from 1 July 2008	\$1,250,000 from 1 July 2001
		50	From 1 July 2005, employee share plan benefits provided to employees are subject to payroll tax. Excludes market priced options.	

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