



PAYROLL TAX REBATES & EXEMPTIONS

In most states across Australia, the wages paid to apprentices and new entrant trainees are exempt from Payroll Tax

Below you will find a brief overview outlining each state's exemption or rebate.

ACT

Although there are currently no available tax rebates in ACT, there are exemptions for eligible employees. These include:

- new starters receiving eligible training e.g. Trainees
- paid maternity, adoption and primary carer leave
- Paid Parental Leave (PPL)
- long service leave or an approved redundancy (if it's not a fringe benefit)
- termination and genuine redundancy payments

NSW

In NSW, there is currently a Payroll Tax Rebate of **5.45%** on wages paid to any New Entrant trainee or Apprentice. This rebate remains in place for as many years as they stay in training.

If a New Entrant Trainee is earning \$50,000, your business could save \$2725 in Payroll Tax Exemptions for each year for the lifetime of the traineeship.

Many traineeships are for two years. Even one year traineeships allow the trainee to continue onto the next qualification level and retain their exemption to Payroll Tax. For example, if your trainee/s is undertaking a one year traineeship, they can then continue into a second qualification extending the traineeship for a further two years. This means the Payroll Tax Exemption applies for three years.

In this example, your payroll tax rebate for the duration of the traineeship (3 years) would be \$8175

QLD

In QLD, employers of Apprentices and Trainees can claim a Payroll Tax Rebate on **50% of all wages paid to Trainees and Apprentices** for the 2016 -17 and 2017-18 financial years.

You can work out the rebate by multiplying 50% of the total wages paid to apprentices and trainees by 4.75% (QLD Payroll tax rate) for each return period in the applicable financial years.

For example, if you employ two trainees, and in the financial year (2016-17) paid them \$50,000 each, your rebate would calculate at $(\$100\,000 \times 50\%) \times 4.75\% = \2375

TAS

Tasmania offer a Payroll Tax Rebate of **6.1%** on all wages paid to eligible Apprentices, Trainees and Youth Employees (for more information on Youth Employees, please get in touch).

The rebate for Apprentices and Trainees is available for a maximum of 2 years from the day that the employee's training contract takes effect. For Youth Employees, the rebate is available for a period of one year from the date the youth employee commenced employment.

For example, if you employ two trainees and one eligible youth employee, and in the financial year (2016-17) paid them \$50,000 each, your rebate would calculate at $\$150\,000 \times 6.1\% = \9150



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WA

In Western Australia all wages paid to eligible New Entrant Trainees are **exempt from Payroll Tax**.

If a New Entrant Trainee is earning \$50,000, your business could save \$2750 in Payroll Tax Exemptions for each year of the traineeship.

Many traineeships are for two years. Even one year traineeships allow the trainee to continue onto the next qualification level and retain their exemption to Payroll Tax. For example, if your trainee/s is undertaking a one year traineeship, they can then continue into a second qualification extending the traineeship for a further two years. This means the Payroll Tax Exemption applies for three years.

VIC

In Victoria **wages are exempt from Payroll Tax** if they are paid or payable to a re-employed apprentice or trainee:

- Whose initial employment ceased prior to the completion of their approved training contract,
- Who has been employed by another employer on or after 1 July 2016, and
- Who is continuing with the same type of approved training contract

The exemption applies irrespective of the length of time between the employment of the apprentice or trainee with the previous employer and the current employer, and only applies for the duration of the apprenticeship or traineeship.

It is available to each subsequent employer of the apprentice or trainee as they work toward completing their apprenticeship or traineeship.

ACCM has sourced all the above information from the relevant state department website (see below) as at 08/12/2017. It is the responsibility of the employers to check Payroll Tax rules at the time they make decisions about Payroll Tax issues and they should not rely on this information sheet in isolation.

Eligibility rules apply to payroll tax exemptions and rebates.

ACT - <https://www.revenue.act.gov.au/payroll-tax>

NSW - <http://www.osr.nsw.gov.au>

QLD - <http://www.business.qld.gov.au>

TAS - <http://www.sro.tas.gov.au>

WA - <https://www.finance.wa.gov.au>

VIC - <http://www.sro.vic.gov.au>

