

## PAYROLL TAX REBATE FOR TRAINEES AND APPRENTICES

Did you know that the wages paid to apprentices and new entrant trainees in the first year are exempt from Payroll Tax?

Exemption of first year of wages paid to:

- Apprentices
- New Entrant Trainees

## HOW TO CLAIM THE 6.85% REBATE

It really couldn't be simpler...

- The exemption is automatically calculated when you lodge a return online.

Does someone else do your accounts or wages?

- Simply advise them which staff are apprentices or new worker trainees.

Don't pay payroll tax?

- Keep the rebate in mind for when you do.

Our example overleaf demonstrates how to work out your Payroll Tax rebate and the savings you will make.

**PAYROLL  
TAX  
REBATE**

**6.85%**

**SAVE  
\$\$\$**

# ACT

## PAYROLL TAX REBATE FOR TRAINEES AND APPRENTICES

Wages for new entrant trainees are exempt from Payroll Tax for 12 months.

Determine what trainees you have and calculate their eligible wages.

For example if you have two trainees and in that year you paid them \$50 000 – this is the wages amount that you don't pay Payroll Tax on.

The Payroll Tax rate is 6.85%

- So  $6.85\% \times \$50\,000$  wage
- This would save you \$3425 per year

Your total Payroll Tax savings would be: \$3425.

### IMPORTANT NOTICE

The Australian College of Commerce and Management has sourced this information from the ACT Revenue Office website <https://www.revenue.act.gov.au/payroll-tax> as at 01/06/2020. It is the responsibility of 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.

Here's an  
EXAMPLE



Take your  
6.85%  
Payroll Tax

On a \$50k  
wage that's  
\$3425

In ONE year  
you save  
\$3425