

Victorian Payroll Tax

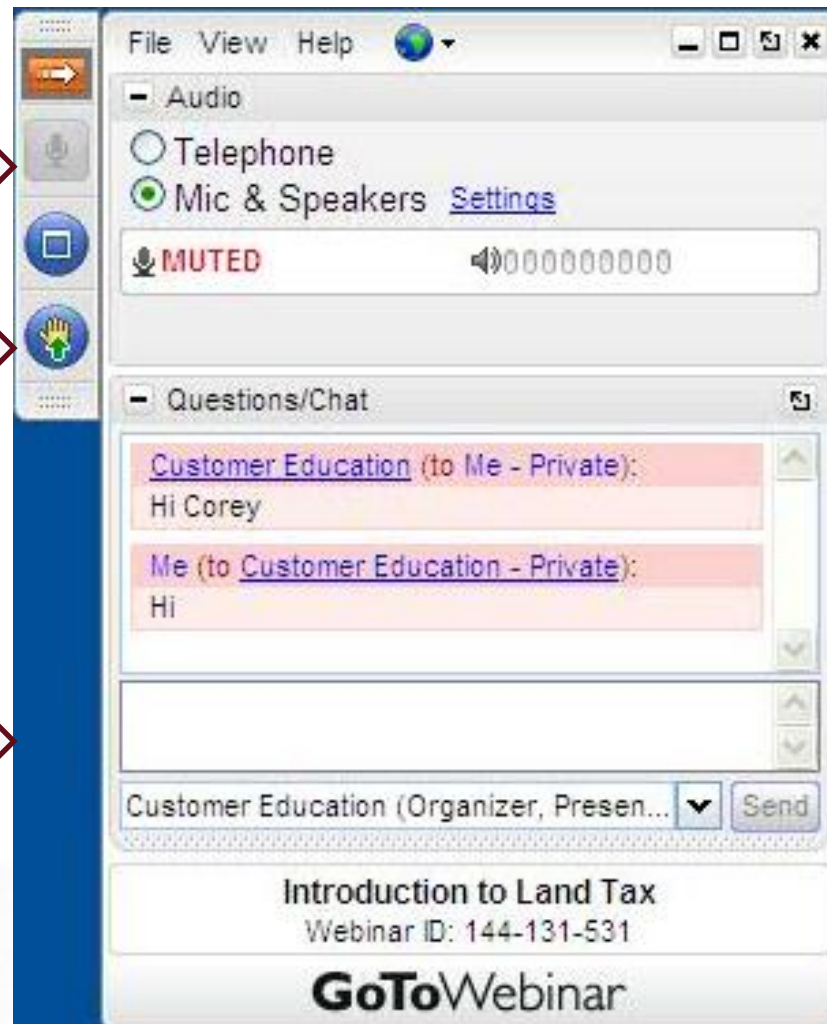
Basics and the concepts of self-assessment

Darrel M^cMahon and Corey M^cKinnon
Staff Development and Customer Education



Housekeeping

- You can select Telephone or Mic & Speakers
- Use the raise hand function to indicate that you are receiving the audio
- Type any questions you have into the question panel



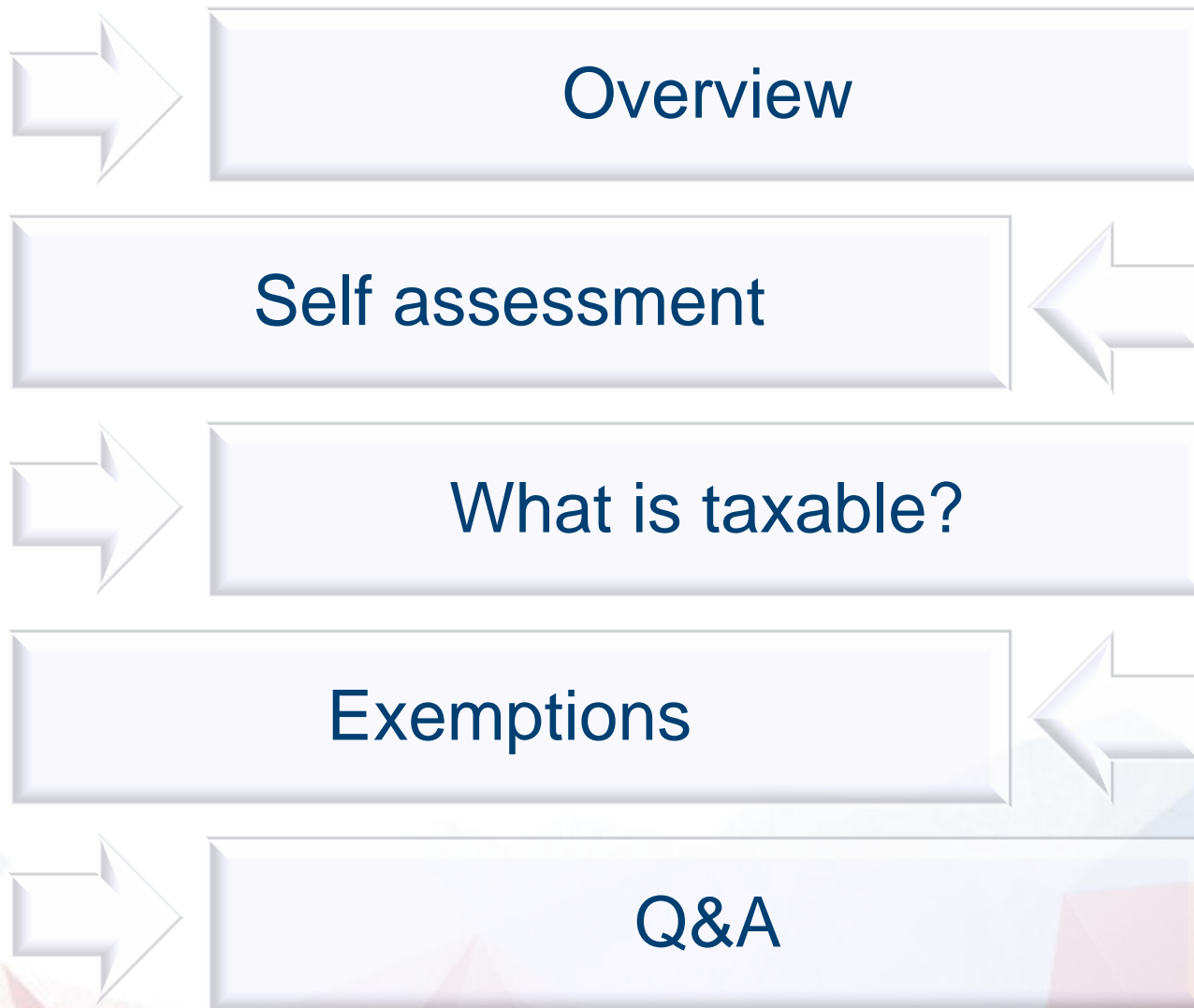
Your presenters



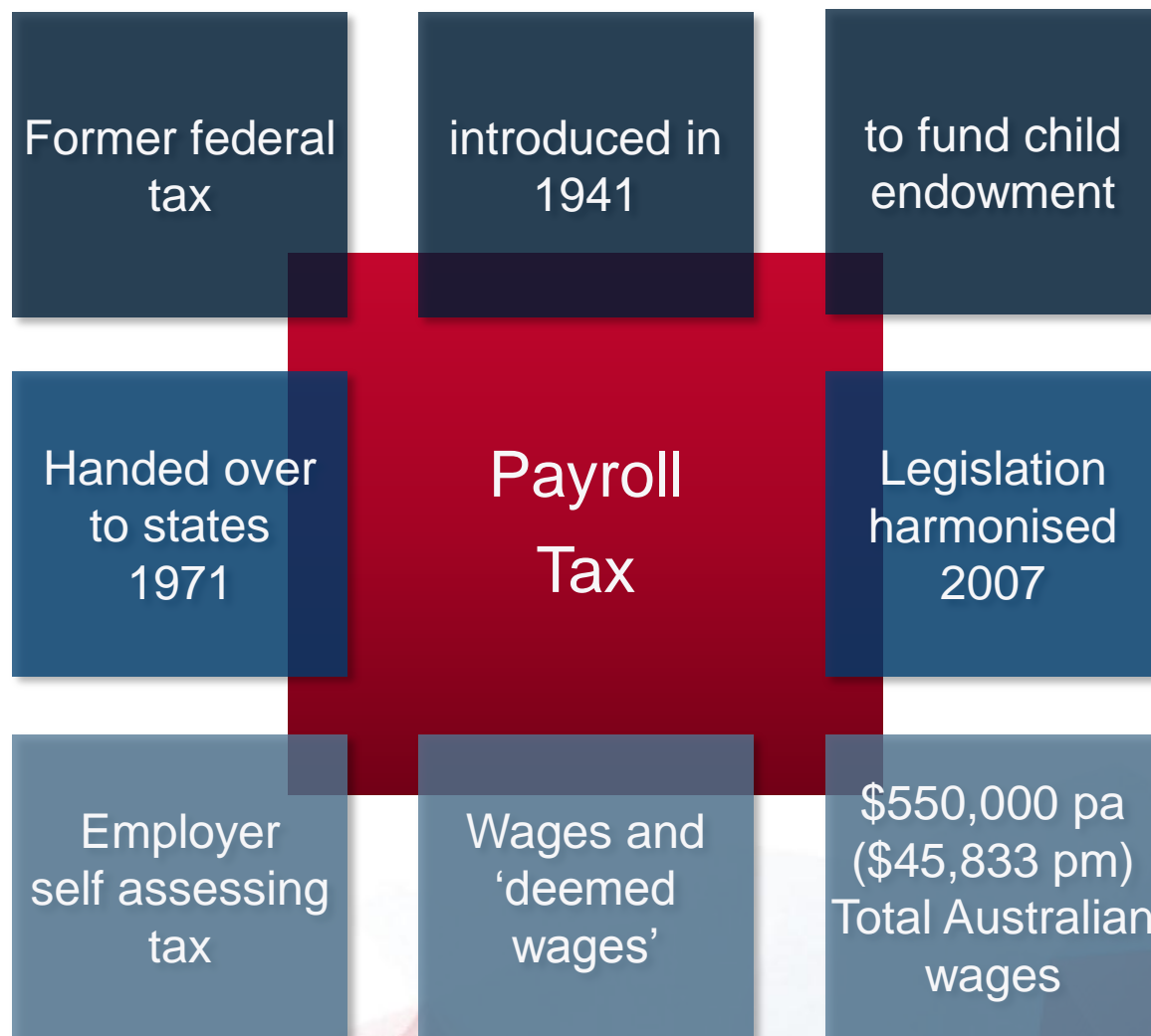
Darrel McMahon
Customer Education Unit



Corey McKinnon
Customer Education Unit



History of payroll tax



Overview

Self assessment

What is taxable?

Exemptions

Q&A

Completing your return

Lodge PTX returns through PTXpress

No June monthly return

Monthly returns due by the 7th of the following month

AR due at the end of the financial year

Amendments to previous returns



Six steps to the AR process

Add, modify or remove users

Change customer details

Change employer type

Changing payment references

Completing your return

There are six steps to the Annual Reconciliation process:

- Review details
- Enter wages
- Review payments
- Calculation
- Lodgement
- Payment / Refund

Step 1 – Review Details

Step 1 of 6

Please review the details below and make amendments where required before clicking **Next**.

Employer Details

ABN: 62342143355

Legal Name: ?

Employer Type: ?

Customer Id: 70064075

Reconciliation Period

Victorian Reconciliation Period

?



- ?



Did you employ interstate in 2013-2014?



Yes



No

Contact Information

First Name:

Surname:

Telephone Number:

Email Address:

Step 2 – Enter Wages


Gross Victorian Wages (01 July 2014 – 30 June 2015)


Salaries and Wages:	\$0	?	View History
Allowances:	\$0	?	
Bonuses/Commissions:	\$0	?	
Contractor Payments:	\$0	?	
Directors Fees:	\$0	?	View History
Fringe Benefits:	\$0	?	
Superannuation:	\$0	?	View History
Termination Payments:	\$0	?	
Shares/Options:	\$0	?	
Shares/Options Offset:	\$0	?	
Other:	\$0	?	
Total Victorian Wages:	\$0	?	View History

Step 3 – Review Payments

Review Payments

Step 3 of 6

 Print

Please **review** the below list of payments  for the current reconciliation period and **amend the total** if there are any **discrepancies**.


Payroll tax payments - excluding interest and penalty payments

Date Received	Payment Amount
14 Apr 2015	\$166,666.67
14 Apr 2015	\$166,666.67
14 Apr 2015	\$166,666.67

Step 4 – Review the calculation

Calculation

Step 4 of 6

 Print

Please review the calculation below. You may click the **Previous** button to make any amendments, otherwise click **Next**.

Calculation Summary

Gross Victorian Wages	\$1,153,416
Less Deduction*	\$550,000
Net Taxable Wages	\$603,416
Tax Payable at 4.85%	\$29,567.38
Less Previous Payments	\$24,000.00
Amount Payable	\$5,567.38

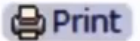
[* View Deduction Calculation](#)

Based on the information you have provided, the amount payable is **\$5,567.38**.

Step 5 - Lodgement

Lodgement

Step 5 of 6



Your return is not complete until you select **Lodge**. For your records, we recommend you [print a summary](#) of the information you have provided to the State Revenue Office.



[Download Annual Reconciliation summary PDF](#)

Customer Feedback

Do you have any suggestions on how to improve the online Annual Reconciliation?

Select Lodge to declare that the information included in this application is true and correct, and that you consent to this information being submitted to the State Revenue Office of Victoria.

< Previous


Save & Exit

Lodge

Step 6 – Payment / Refund

Payment

Step 6 of 6

 Print

Your Annual Reconciliation has been lodged, however **payment is required**. Please review your payment options below before clicking **Finish**.

 [Print payment options](#)

 [Download Annual Reconciliation summary PDF](#)

Lodgement Details

Lodgement Reference No:	661213
Date/Time:	30 Apr 2014 12:03 PM EST
Tax Owing:	\$5,567.38
Due Date:	21 Jul 2014

Payment Options

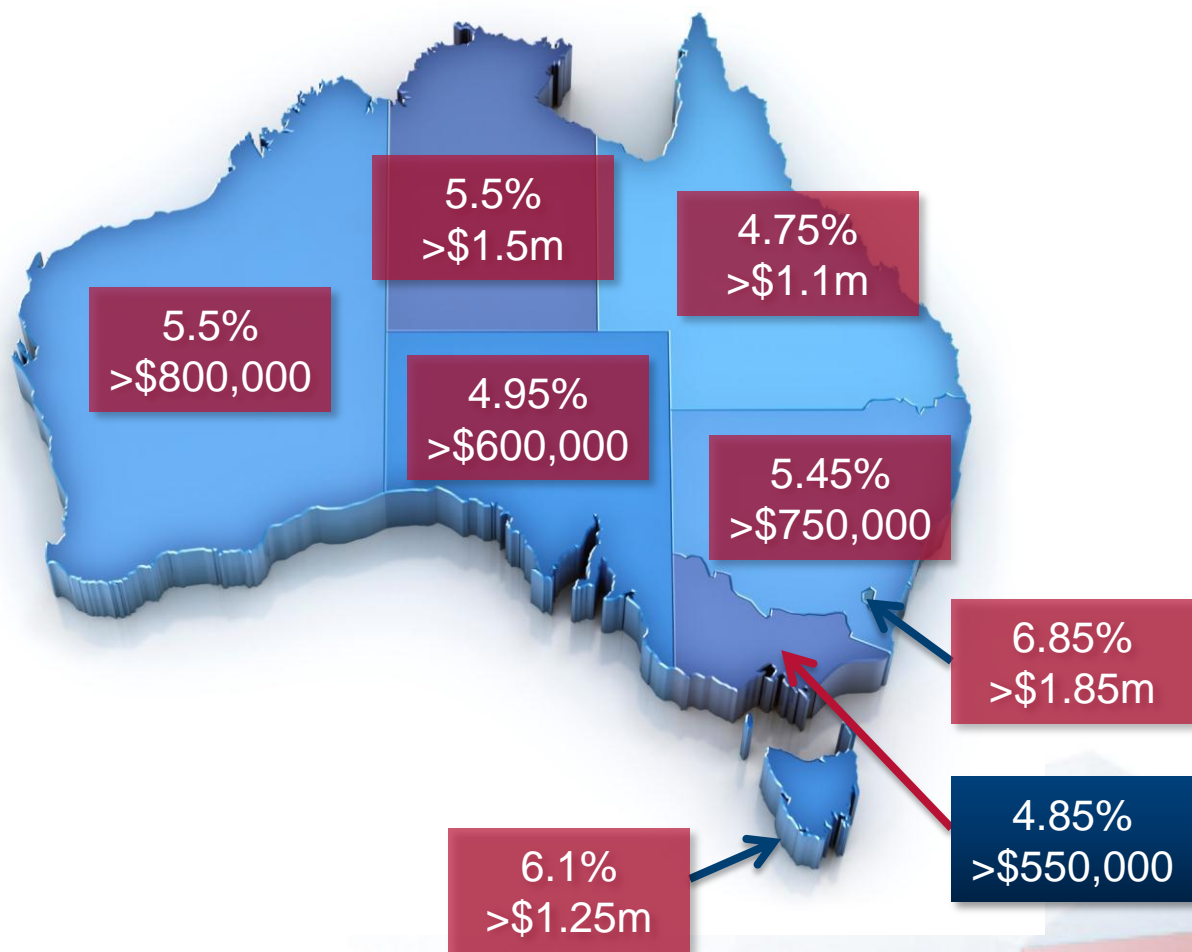
Online Payment



Points to note

- Include all taxable wages paid or payable in Victoria
 - Employing for part of the year
 - Employing in multiple jurisdictions
- Interstate and overseas employees
 - Group deduction entitlement
 - Compliance activities

National rates and thresholds

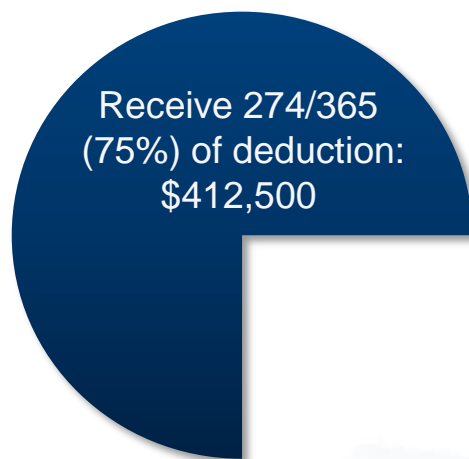


Part year apportionment

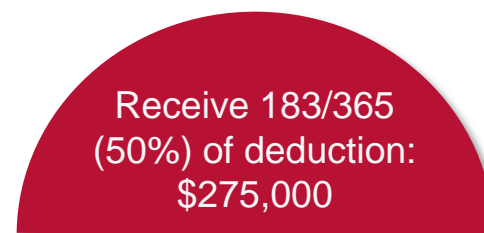
Employing for full
financial year (FY)



Employing for 274
days of FY



Employing for 183
days of FY



Employing in multiple jurisdictions



- 1. If your total Australian wages exceed the threshold in any jurisdiction in which you employ, you must *register* for Payroll tax in those states.**
- 2. Only declare wages paid relevant to each jurisdiction.**
- 3. Receive an apportioned deduction in the states within which you employ**

e.g. If you employ in Victoria and your total Australian wages exceed \$550,000, you will need to register for payroll tax in Victoria regardless of the amount Victorian wages are.

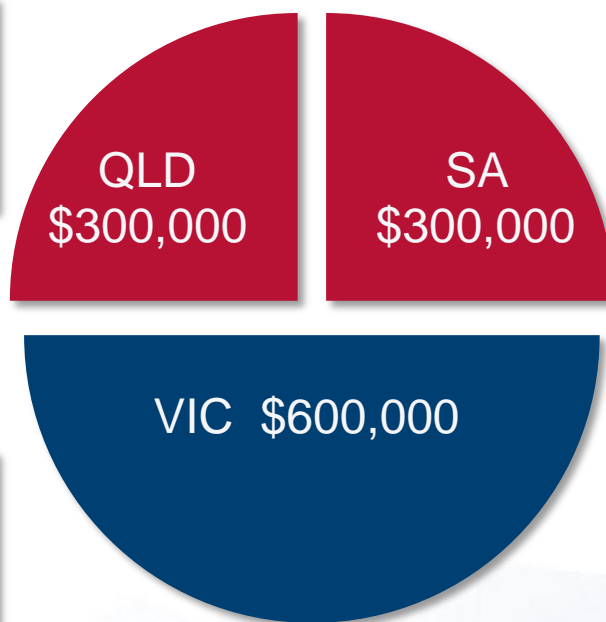
Victorian / interstate apportionment

Total Australian Wages \$1,200,000

$$\$300,000 / \$1,200,000 = \frac{1}{4}$$

New QLD deduction:

$$\frac{1}{4} \times \$1,100,000 = \$275,000$$



$$\$300,000 / \$1,200,000 = \frac{1}{4}$$

New SA deduction:

$$\frac{1}{4} \times \$600,000 = \$150,000$$

$$\$600,000 / \$1,200,000 = \frac{1}{2}$$

New Vic deduction:

$$\frac{1}{4} \times \$550,000 = \$275,000$$

Interstate employees (PTA-039)

General rule – worked solely in one jurisdiction during month, payroll taxed in that state/territory.

Worked in more than one jurisdiction during month, payroll taxed wherever:

1. Employee's home (PPR) is located
2. Employer's business is registered
3. Wages are received
4. Services are mainly performed

Overseas employees

Employees working overseas:

- More than 6 months - exempt
- Less than 6 months - wherever paid

Employees from overseas:

- As per interstate employees

Payroll tax group deduction entitlement

Only one member of a group can claim the deduction for the whole group

Deduction based on groups total Victorian and Australian wages

Joint and several liability

Our approach to payroll tax compliance



Overview

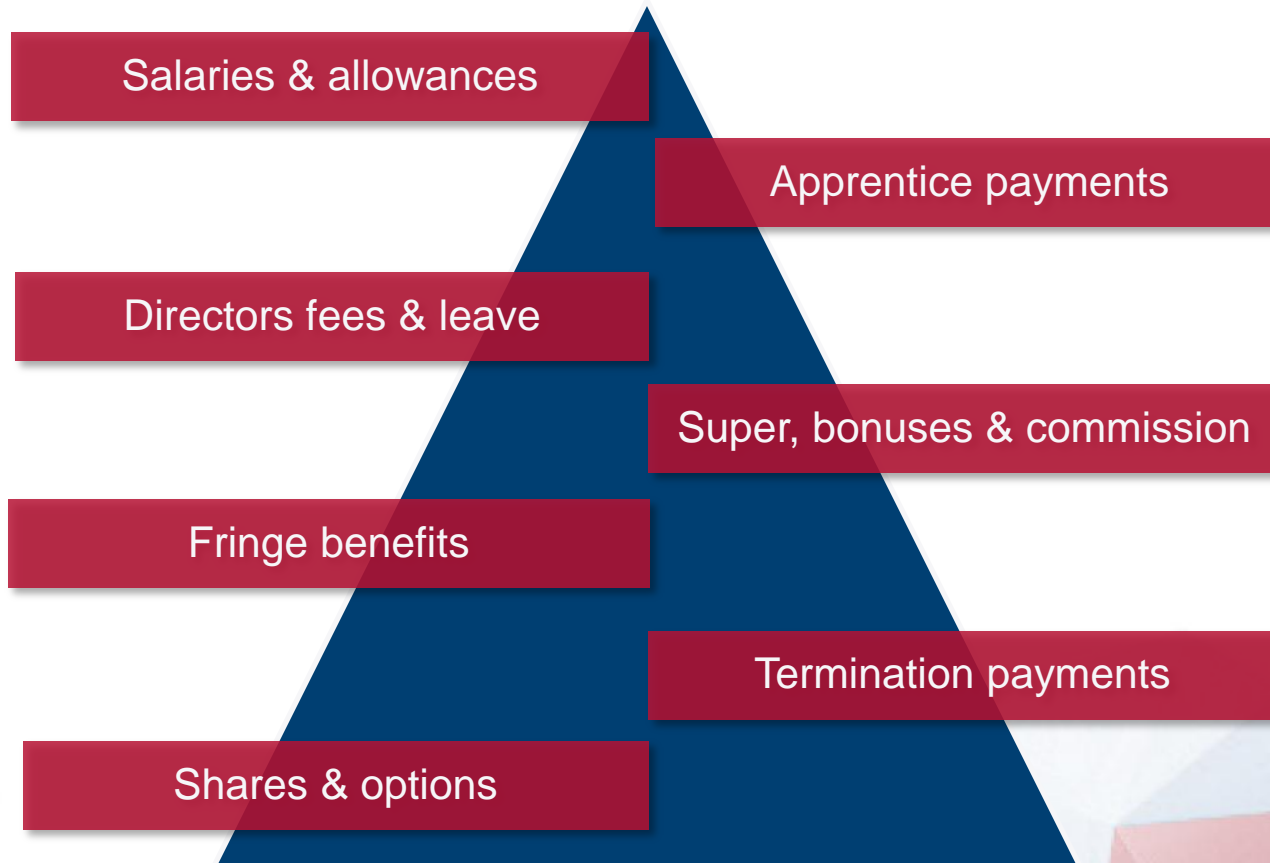
Self assessment

What is taxable?

Exemptions

Q&A

What is taxable?



Allowances

Taxable

Reimbursements

Not taxable
(unless subject to
FBT)



Apprentice payments

Wages paid to all apprentices
are taxable



Approved not for profit
Group Training Organisation
(PTX-005)

Directors fees and leave

Directors fees are taxable
(PTA-016)



Non-working
Directors

Working
Directors

Regardless of
where paid to



Profit
distribution

Leave payments are taxable



Sick leave

Leave loading

Long service
leave

Annual leave

All pre-tax superannuation contributions are taxable



Employees

Deemed employees

Company Directors

SGC Amounts

>9.5% amounts

Salary sacrifice

Defined benefit fund top-ups

Termination payments (PTA-004)

Taxable

(Unless income tax free component of genuine redundancy or early retirement scheme i.e. Item D on PAYG summary)



Employee
termination

Director
termination

Contractor
termination

Leave paid

Pay in lieu

Contractor
payouts

Golden
handshakes

Severance
payments

Value of shares or options on “the relevant day” LESS any consideration paid by employee (except services rendered)

Grant date

Vesting date

Market value or amount determined by *Income Tax Assessment Act 1997*

Declaring fringe benefits (PTA-003)

Only declare the Victorian component of fringe benefits!

Total Australian wages
\$1,000,000

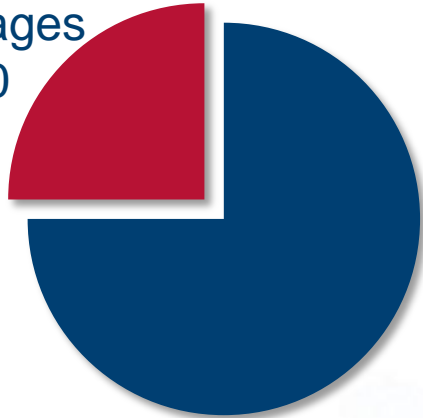
Total fringe benefits

Interstate wages
\$250,000

25% declared
interstate

Victorian wages
\$750,000

75% declared
in Victoria



Declaring fringe benefits (PTA-003)

Declaring your fringe benefits

Actual Method

Estimate Method

Declaring fringe benefits (PTA-003)

Actual Method

gross up total of Type 1 & Type 2 FBs by Type 2 factor only!

Monthly Returns
July 2014 – May 2015



Declare actual Type 1 &
Type 2 FBs grossed up
by Type 2 factor only

Annual
Reconciliation
30 June 2015



Declare full years Type 1 &
Type 2 FBs, including any
paid in June, grossed up by
Type 2 factor only

Declaring fringe benefits (PTA-003)

Estimate Method

gross up total of Type 1 & Type 2 FBs by Type 2 factor only!

Monthly Returns
July 2014 – May 2015



Using 2013-14 FBT return:
declare 1/12th of
grossed up
Type1 & Type 2 FBs

Annual
Reconciliation
30 June 2015



Using 2014-15 FBT return:
declare full year's
grossed up
Type1 & Type 2 FBs

Living away from home allowance

23 Details of fringe benefits provided

Type of benefits provided (1 April 2013 to 31 March 2014)		Number	Gross taxable value (a)
Cars using the statutory formula	A		
Cars using the operating cost method	B		
Loans granted	C		
Debt waiver	D		
Expense payments	E		
Housing units of accommodation provided	F		
Employees receiving living-away-from-home allowance (show total paid including exempt components)	G		
Board	J		



Normally
triggers an
FBT liability

**DON'T
DOUBLE
DECLARE**

Overview

Self assessment

What is taxable?

Exemptions

Q&A

Motor vehicle allowance (PTA-005v2)

Employee's
own car?

Business
travel?

Per km or flat
amount?

Per km

Flat amount

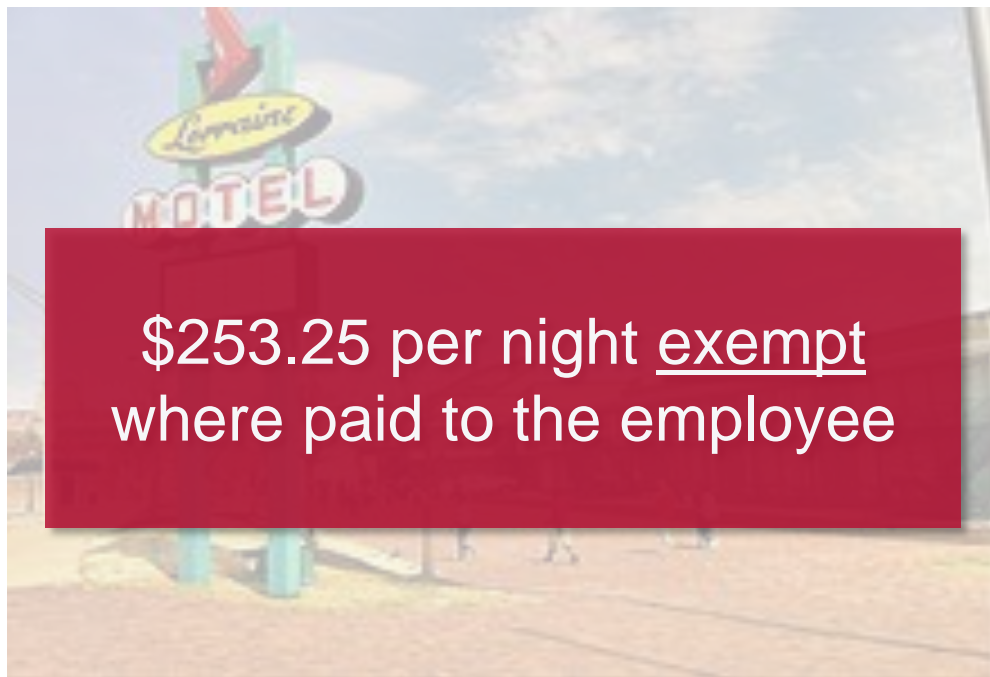
Exempt
Fringe
Benefit

Exempt up to
77c per Km

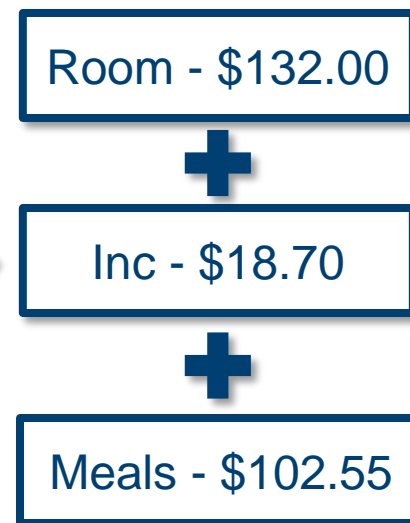


Substantiation required

Accommodation allowance (PTA-005v2)



\$253.25 per night exempt
where paid to the employee



Reimbursement



Charge-backs

Exempt payments

Fire and Emergency Services Duty

Exempt
where employee does
not take “official leave”

Defence Force Duty

Leave as a result of
membership of Defence
Force or Armed Forces
is exempt



Substantiation required



Exempt payments

Maternity & Adoption Leave (PTA-012, PTA-037)

14 weeks full-time or part
time equivalent is
exempt



Substantiation required



Commonwealth PPL
Scheme not taxable



Exempt payments

Worker's Compensation (PTA-015)

Valid work cover claim lodged?

Compensation amounts exempt

Top-up pay taxable



Week 1 and week 2
compensation deemed to
have been received

Exempt payments

Worker's Compensation (PTA-015)

Valid work cover claim lodged	Week 1	Week 2	Week 3
Paid to employee	\$1,000	\$1,000	\$1,000
Worksafe Reimbursement	 \$0	 \$0	\$950
Compensation	 \$950	 \$950	\$950
Taxable Component	\$50	\$50	\$50

Exempt employers

Non-profit
organisations

Public
hospitals

Non-profit
private
hospitals

Ambulance
services and
health

Non-profit
schools

Municipalities

Overview

Self assessment

What is taxable?

Exemptions

Q&A

Any questions?

www.sro.vic.gov.au

sro@sro.vic.gov.au

132 161