

# Revenue Rulings

## Education benefits

Revenue Ruling PT.005

Replaced by PT.042

CEASED 30 June 1993 CEASED 30 June 1993 CEASED 30 June 1993

### Preamble

Benefits paid or payable to or in relation to an employee are included in the definition of wages in Section 3(1) of the *Payroll Tax Act 1971*.

Employers often pay or reimburse the educational expenses of employees and their families.

The purpose of this ruling is to clarify when such payments are subject to payroll tax.

### Ruling

The payment of education expenses in respect of an employee's family will always be taxable.

Generally, the payment of any education expenses on behalf of employees will be subject to payroll tax, as the payment will represent a benefit provided to or in relation to an employee as such. This applies to any fees paid (including Higher Education Contribution Scheme payments) or materials provided by an employer, whether or not the payment is made to the employee or a third party, such as an educational institution.

However, the Commissioner has ruled that the costs associated with meeting the training or educational needs of employees, where the program or course provides skills which are required by the employer's organisation, will not be subject to payroll tax.

Please note that rulings do not have the force of law. Each decision made by the State Revenue Office is made on the merits of each individual case having regard to any relevant ruling. All rulings must be read subject to Revenue Ruling GEN.01.

**Denzil Griffiths**

**Commissioner of State Revenue**

**1 April 1993**

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