



Tax

BDO Payroll Tax checklist

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Payroll tax compliance is typically a monthly obligation, with monthly returns due on the seventh day of the following month. In addition, annual payroll tax reconciliations are due for lodgement by 21 or 28 July, depending on the jurisdiction. In recent years, we have seen increased data matching between the regulators, with the various State and Territory revenue authorities placing more attention on ensuring employers are paying the right amount of payroll tax.

To help employers navigate these requirements, BDO has created a checklist highlighting key payroll tax risk areas that should be reviewed to reduce the risk of non-compliance.

Payroll tax registration

Are you registered in all States and Territories where your total Australian wages exceed the applicable threshold?

- Yes
- No
- N/A

Note: where an entity is grouped with one or more other entities for payroll tax purposes, you will need to consider total group wages when conducting the above assessment.

Grouping

Are you lodging payroll tax returns on a grouped basis, where required? There are a number of factors that can trigger payroll tax grouping obligations between two or more entities, some of which include:

- ▶ Related bodies corporate
- ▶ Where there is a controlling interest (i.e. >50%)
- ▶ Common employees / directors

Yes

No

N/A

For grouped employer entities, has one Designated Group Employer been nominated in each State and/or Territory?

Yes

No

N/A

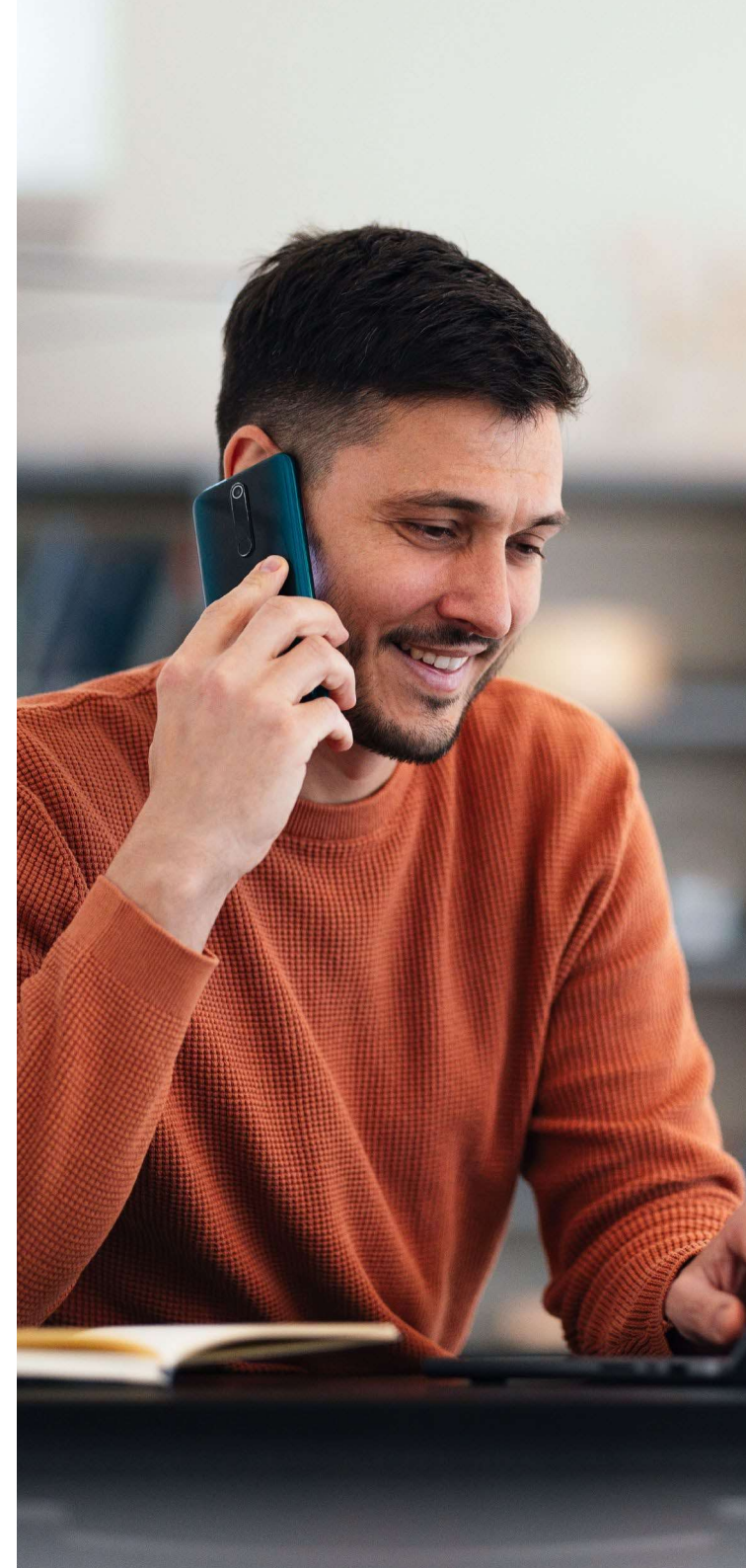
Are you reporting your total group Australian wages / interstate wages in each payroll tax filing?

Yes

No

N/A

Comments:



Payroll items

(i.e. salary, wages, allowances, bonuses, superannuation)

Have you reviewed your wage code configuration in your payroll system to ensure all wage codes that are considered taxable wages are being captured for payroll tax purposes?

- Yes
- No
- N/A

Have you considered any exempt wage codes (e.g. certain allowances, parental leave payments up to certain limits etc.)?

- Yes
- No
- N/A

Have you considered the interaction of any pre-tax deductions (for salary sacrifice arrangements) with your payroll tax obligations?

- Yes
- No
- N/A

Do you make any superannuation contributions to defined benefit funds? If so, are you aware of the specific requirements in relation to the payroll tax treatment of these contributions, in the applicable jurisdiction/s?

- Yes
- No
- N/A

If you engage expatriate employees, have you considered the payroll tax obligations for remuneration paid by any foreign entities? In addition, are you aware of the exemption that may be available for eligible employees performing services offshore?

- Yes
- No
- N/A

Have you made any backpay remediation payments to employees, relating to previous financial years? If so, are you aware of your payroll tax obligations for these payments?

- Yes
- No
- N/A

Comments:





Fringe benefits

Have you taken into account any fringe benefits tax amount as part of your taxable wages?

Yes

No

N/A

Has the correct gross-up rate been applied, and the correct State-by-State allocation?

Yes

No

N/A

Comments

Contractors

Have you reviewed your contractor payments made during the financial year to identify any taxable amounts?

- Yes
- No
- N/A

Note: the contractor provisions have broad application, so all vendors paid during the financial year should be reviewed. It is also important to note, Western Australia is the only jurisdiction that does not have relevant contract provisions.

Have you considered the contractor exclusions that may apply?

- Yes
- No
- N/A

Note: the contractor exclusions differ in certain jurisdictions.

For any taxable contractors, have you considered whether any deductions are available to reduce the taxable amount?

- Yes
- No
- N/A

Comments

Directors' fees

If you engage directors, have you declared any directors' fees in your taxable wages calculation?

- Yes
- No
- N/A

Comments:

Employee Share Schemes (ESS)

Have you got an ESS in place and, if so, have you elected the 'relevant day' for payroll tax purposes (i.e. the taxing point, being either grant or vest)?

Yes

No

N/A

Have you determined the value of the interest for the purposes of calculating your payroll tax liability?

Yes

No

N/A

Comments

Apprentices or trainees

Do you engage apprentices or trainees?

Yes

No

N/A

If so, are you aware of the various exemptions and concessions available in certain jurisdictions, for eligible apprentices or trainees?

Yes

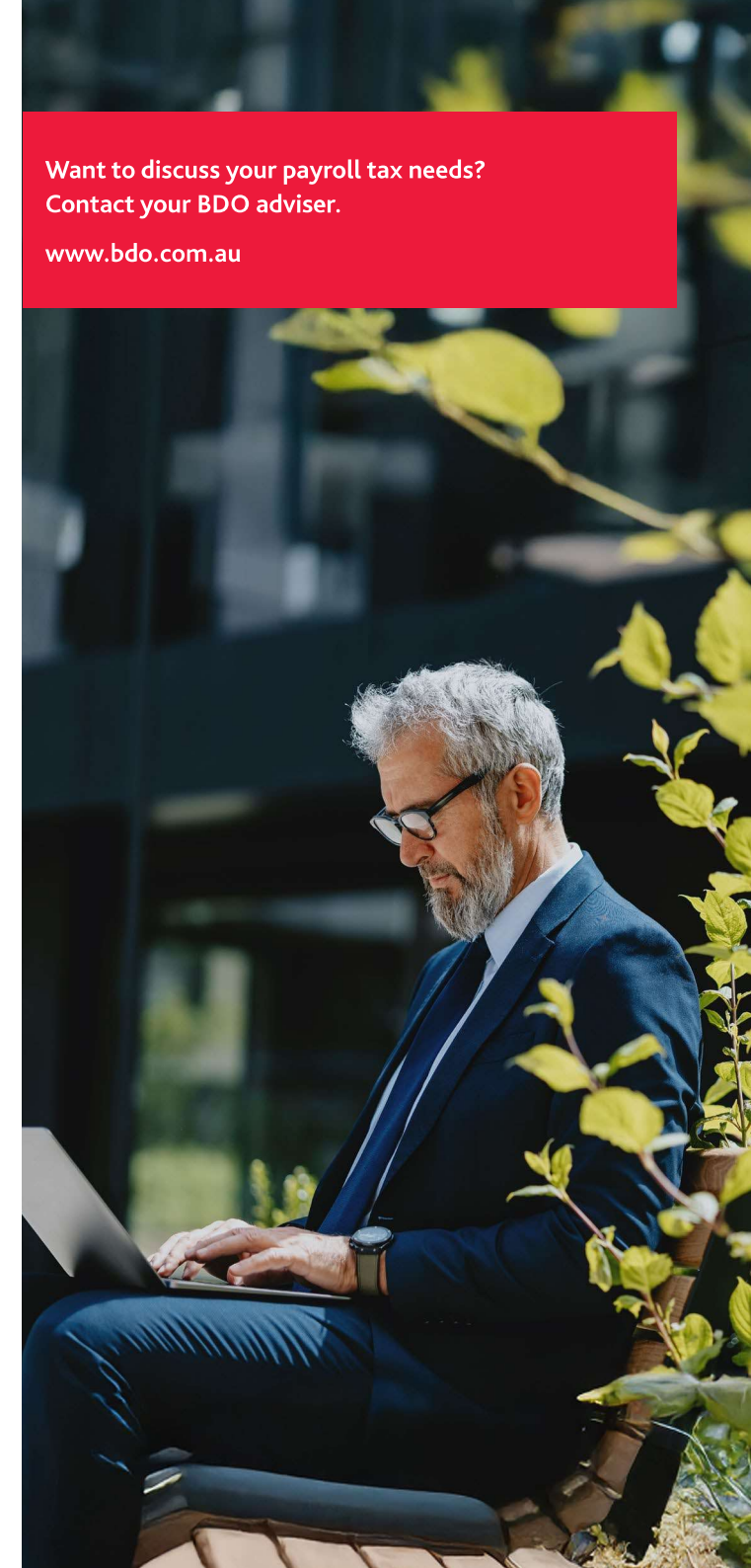
No

N/A

Comments

Want to discuss your payroll tax needs?
Contact your BDO adviser.

www.bdo.com.au



1300 138 991

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