

# 06/02/2008 New payroll tax exemptions

New payroll tax exemptions for employers of volunteers

Employers in NSW and Victoria who have volunteer firefighters on staff have been given tax relief from 1 July 2007.

Businesses and employees during bushfire emergencies, the NSW and Victorian Governments have introduced what has been labelled, the 'Harmonised Legislation.' In this detailed legislation, one particular component applies to employees in voluntary work or emergency relief.

*"Wages paid or payable to an employee in respect of any period when he or she was taking part in bushfire fighting activities as a volunteer...are exempt from payroll tax."*

Understandably this exemption does not apply to any other leave including sick leave or long service leave. It does however go along way in encouraging and supporting employers who continue to support the volunteer's who protect our communities.

For more information about this phone 1300 139 815 between 8:30 am and 5:00 pm, visit [www.osr.nsw.gov.au](http://www.osr.nsw.gov.au) or email [payrolltax@osr.nsw.gov.au](mailto:payrolltax@osr.nsw.gov.au)

Please see below for a full copy of section 17. Payroll Tax Fact sheet;

## **Employees in voluntary work/emergency relief**

### **Exemption for wages paid to employees participating in voluntary work for bush fires or emergency relief**

Wages paid or payable to an employee in respect of any period when he or she was taking part in bushfire fighting activities as a volunteer within the meaning of the *Country Fire Authority Act 1958* are exempt from payroll tax. For NSW the relevant act is the *Rural Fires Act 1997*.

Wages are exempt if they are paid or payable to an employee in respect of any period when he or she was engaging in emergency activities within the meaning of the *Emergency Management Act 1986*. For NSW the relevant act is the *State Emergency and Rescue Management Act 1989*.

The exemption does not apply for wages of payable as recreation leave,

annual leave, long service leave or sick leave.

Although part of the harmonisation initiative, this exemption was enacted in March 2007 and back datable to November 2006. Employers eligible for this exemption may make the appropriate adjustments in their 2007 Annual Adjustment.