



Queensland
Revenue Office

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22 December 2022

Dr Maria Boulton
President
AMA Queensland

Dr Brett Dale
Chief Executive Officer
AMA Queensland

Email: amaq@amaq.com.au

Payroll tax for medical centres

Dear Drs Boulton and Dale

As discussed in our meeting on 6 December 2022, the Queensland Revenue Office (QRO) is committed to providing greater guidance to the medical industry regarding the payroll tax implications in relation to medical centre contracting arrangements. I also indicated I would be seeking to publish my position on these matters before the end of the year.

Please find enclosed a copy of the Public Ruling PTAQ0006.1 *Relevant Contracts – Medical Centres (Ruling)* which outlines the Commissioner of State Revenue's (Commissioner) view on the interpretation and application of the relevant contractor provisions under the payroll tax legislation as it relates to general contractual arrangements and principles involving medical centres.

As you would appreciate, when considering whether the payroll tax contractor provisions apply to a particular scenario or arrangement, it is necessary that all the terms, rights and obligations under each contract together with the day-to-day operations between a medical centre and a practitioner are fully considered to determine the payroll tax implications. That is, there is no single generic approach which can be applied in all cases.

As a further matter, in view of the potential lack of awareness of the relevant contractor provisions amongst general practitioners, consideration has been given to limiting future QRO audit activity to a particular time period. Arrangements of this nature are not commonplace. However, in recognition that further clarity regarding the application of the contractor provisions

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was provided by the 2021 New South Wales Civil and Administrative Tribunal decision in the Thomas and Naaz Pty Ltd v Chief Commissioner of State Revenue [2021] NSWCATAD 259 case, I have decided that audit activity in relation to the application of the contractor provisions as they relate to general practitioners will be limited to the 2021–22 and subsequent financial years. Details regarding this audit limitation for general practitioners will continue to be worked through in the new year and advised to you once completed.

Lastly, I would like to thank you for working with QRO in providing greater certainty to medical practices on this issue and look forward to continuing that approach. I would also welcome any comments you may have on the enclosed Public Ruling.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Amy Rosanowski'.

Amy Rosanowski
Acting Commissioner of State Revenue