

# MEDIA RELEASE

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## Eliminate the fear of patient tax

AMA Queensland is calling on both sides of politics to eliminate the patient tax by exempting all private medical practices from payroll tax.

“It was encouraging to see payroll tax being debated in parliament on Wednesday night, showing that our politicians understand the threat of this new tax to patient costs and practice viability,” AMA Queensland Immediate Past President Dr Maria Boulton said.

“We also support the Opposition's solution to exempt GPs from this patient tax – something we have argued for since GPs started getting unexpected backdated bills in 2021.

“It is clear the LNP recognises taxing general practices will worsen ambulance ramping and emergency department wait times.

“We now call on both parties to announce an exemption for all private practices before the 26 October state election.

“While the amnesty and Public Rulings provide a solution for some eligible general practices, they are administratively burdensome, costly and do not extend to all medical practices.

“Every private practice must be given the same certainty so Queenslanders can continue to access medical care from their GPs and other specialists.

“This patient tax will affect the most vulnerable in our community, reduce access to medical care and must be eliminated before the current amnesty ends in June next year.

“Non-GP specialist practices are also excluded from the amnesty, creating fear they could be issued crippling five-year retrospective liability notices.

“The simplest way to solve this problem and keep quality private medical care accessible for Queenslanders is to exempt all medical practices from this patient tax, in the same way public and most private hospitals are exempt.

“At the very least, the amnesty should be extended to all medical practices to provide financial certainty for non-GP specialists and their patients.”

### Background

- In late 2021, AMA Queensland members reported receiving backdated payroll tax bills following a tribunal decision in New South Wales that changed that state's interpretation of tax law.
- Members were concerned that the unexpected and expensive bills could force them to close their practices.

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- AMA Queensland wrote to Treasurer Cameron Dick on 11 November 2021 raising concerns about the Queensland Revenue Office’s apparent decision to follow New South Wales’ lead.
- In January 2022, the QRO wrote back advising that the New South Wales ruling could apply in Queensland.
- In November 2022, the Treasurer advised that the treatment of payroll tax for medical practices had not changed since 2008.
- In December 2022, the QRO issued a Public Ruling and advised that audit activities would be limited to the 2021-22 and subsequent financial years.
- In February 2023, the Labor Government announced an amnesty for eligible general practices until 30 June 2025 and a technical solution if practices structure payments according to a relevant QRO Public Ruling.
- A second Public Ruling was issued in September 2023.

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