



Office of State Revenue
NSW TREASURY

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Revenue Ruling No. PT 59

Approved Form of Written Statement Provided by Sub-Contractors to Principal Contractors

(Section 31H Pay-roll Tax Act, 1971)

Ruling history

Ruling no.	Issued date	Dates of effect		Status
		From	To	
PT 59	25 September 2003	1 / 7 / 03	Present	Current

Preamble

- Under Section 31G of the Pay-roll Tax Act 1971, if a sub-contractor does not pay a pay-roll tax liability, the principal contractor may be jointly and severally liable with the sub-contractor for the sub-contractor's pay-roll tax liability.
- Under Section 31H of the Act, the principal contractor can avoid this potential pay-roll tax liability by obtaining a written statement in the approved form, signed by the sub-contractor, that verifies that the sub-contractor has paid the pay-roll tax or that the sub-contractor is not liable to pay pay-roll tax.
- The purpose of this ruling is to advise principal contractors and sub-contractors of the form of the written statement that has been approved by the Chief Commissioner under section 31H of the Act.

Ruling

Approved form

- An approved form of written statement for use by sub-contractors is at **Appendix "A"**. To avoid a potential liability for a sub-contractor's unpaid pay-roll tax, principal contractors should obtain a written statement from each of their sub-contractors who engages employees to carry out work for the principal contractor under the contract in the form of, or to the effect of, Appendix "A".
- The written statement should be kept by the principal contractor, and produced if requested to do so by the Chief Commissioner, or to an authorised officer under Part 9 of the Taxation Administration Act 1996. Sub-contractors should also maintain a record of a written statement provided to a principal contractor. Under the Tax Administration Act 1996, records must be kept for at least five years.

Use of a modified form

- Principal contractors and sub-contractors who wish to use a different form of written statement, may do so, but it should contain the information required by Appendix "A", that is:
 - The name, address and Australian Business Number (ABN) of the sub-contractor;
 - The name of the principal contractor with whom the sub-contractor has entered into a contract and/or payment claim details;

(c) Identification of the contract;

(d) Payment details;

(e) A declaration stating:

- That the sub-contractor is registered as an employer under the Pay-roll Tax Act 1971 or is not required to be registered.
- That all the sub-contractor's pay-roll tax payable in respect of wages paid or payable to the relevant employees during any period of the contract for work done in connection with the contract has been paid at the time the statement is given to the principal contractor.
- Whether the sub-contractor is also a principal in connection with that work; and if so, whether a relevant statement has been obtained from each sub-contractor.

7. The written statement may include additional information for the purposes of similar provisions of any other Act. Appendix "A" includes provisions for the purposes of the Workers Compensation Act 1987 in regard to workers compensation insurance premiums and the Industrial Relations Act 1996 in regard to remuneration payable to relevant employees.

Time limit for obtaining statements

8. Principal contractors must obtain a statement in the approved form within 60 days after the end of each financial year, that is, on or before 29 August.

Multiple statements may be obtained

9. In some cases, principal contractors may choose to obtain a statement from a sub-contractor at the end of each month, or before each contract payment is made. In these cases, the principal contractor must obtain statements which together cover the whole period during which the sub-contractor's employees were engaged in carrying out work for the principal contractor. Note that a sub-contractor who is liable for pay-roll tax would in most cases be required to pay tax within 7 days after the end of each calendar month. The principal contractor has until 29 August following the end of a financial year (30 June) to obtain all of the necessary statements.

Obtaining copies of the approved form at Appendix "A"

10. An electronic copy of the approved form at **Appendix "A"** will also be available on OSR's website (www.osr.nsw.gov.au) but printed copies will not be available.

Peter Achterstraat
Chief Commissioner of State Revenue
25 September 2003