



PAYROLL TAX Overnight Accommodation Allowances Paid to Truck Drivers

1. The *Pay-roll Tax Assessment Amendment Act 2010* amended the *Pay-roll Tax Assessment Act 2002* (the Act) with effect from 1 July 2009 to harmonise the legislation of Western Australia's payroll tax system with the legislation of other jurisdictions.

Introduction

2. Section 9AA(1)(h) of the Act includes as wages accommodation allowances paid or payable to an employee in respect of a night's absence from the employee's usual place of residence to the extent that those allowances exceed the exempt rate. Generally, accommodation allowances are paid to an employee to cover temporary accommodation costs necessarily incurred while the employee is required to travel for work purposes. (See Revenue Ruling [PTA 005 'Exempt Allowances: Motor Vehicle and Accommodation'](#).)
3. Under the *Transport Workers (Long Distance Drivers) Award 2000* (the Award), where a long distance truck driver is unable to return home at night, the employer is required to pay the driver an allowance to cover the necessary personal expenses reasonably incurred in travelling. Further, the Award states that where the employer provides suitable accommodation acceptable to the union, the truck driver will not be entitled to the allowance. Under general circumstances, truck drivers do not incur accommodation expenses when travelling for work as they sleep in their trucks.
4. This Ruling clarifies the payroll tax treatment of overnight allowances paid to truck drivers.

Ruling

5. Overnight allowances paid to long distance truck drivers are exempt from pay-roll tax if the following criteria are satisfied:
 - (a) the allowance is paid according to the terms of the Award and
 - (b) the amount is no more than the exempt rate for accommodation allowances under section 9FB of the Act.
6. If an overnight allowance exceeds the exempt rate, the difference between the allowance and the exempt rate is subject to payroll tax (Revenue Ruling PTA 005).
7. Please note that rulings do not have the force of law. Each decision made by the Commissioner of State Revenue is made on the merits of each individual case having regard to any relevant ruling.

Ruling history

Revenue Ruling	Issued	Effective Dates	
		From	To
PTA 024.1	24 June 2010	24 June 2010	Current