

Taxation Administration (Payroll Tax GP Wages Exemption Scheme) Determination 2025

Disallowable instrument DI2025–162

made under the

Taxation Administration Act 1999, s 137E (Exemption scheme)

EXPLANATORY STATEMENT

Section 137E of the *Taxation Administration Act 1999* (TA Act) allows for the Minister to determine a scheme to exempt a person who is required to pay tax under a tax law from the requirement to pay the tax.

The *Taxation Administration (Payroll Tax GP Wages Exemption Scheme) Determination 2025* (the Determination) provides an exemption to a person (an employer) from the requirement to pay some payroll tax under the *Payroll Tax Act 2011*.

An employer that is a designated medical practice is exempt from the requirement to pay payroll tax in relation to wages paid or payable, to a general practitioner for an exempt medical service. An exempt medical service includes medical services provided by a general practitioner that are: bulk-billed or delivered under Part V of the *Veterans' Entitlements Act 1986* (Cwlth) or under the *Workers Compensation Act 1951*.

The exemption is intended to support medical practices which bulk-bill their services. This support is exempting medical practices from the requirement to pay payroll tax on the wages it pays to general practitioners that are attributable to an exempt medical service. Wages include payments under relevant contracts deemed to be wages under section 35 of the *Payroll Tax Act 2011*.

The exemption does not extend to any medical services that are paid upfront by the patient and then partially reimbursed by Medicare.

Commencement and operation

The Determination commences on 1 July 2025 and exempts an employer from payroll tax arising from general practitioners' wages earned for exempt medical services. The

exemption provided in the Determination builds on the temporary payroll tax amnesty for general practitioners that was in place until 30 June 2025.

The Determination does not apply to wages paid or payable to general practitioners prior to 1 July 2025.

Details of the determination

The Determination sets out, for the purposes of the exemption scheme:

- definitions (section 3);
- meaning of exempt medical service (section 4);
- meaning of exempt GP wages (section 4); and
- the exemption (section 5).

The Determination includes extensive referencing to the relevant Commonwealth legislation for the definitions of medical terms. For example, the meaning of a general practitioner, bulk-billed, and general medical services table. The Determination adopts the definition of these terms as outlined in the Commonwealth legislation, such as in the *Health Insurance Act 1973* (Cwlth).

Exempt medical service is a unique term for the Determination for the definition of medical services provided by a general practitioner that are either:

- (a) bulk billed; or
- (b) delivered under Part V of the *Veterans' Entitlements Act 1986* (Cwlth); or
- (c) delivered under the *Workers Compensation Act 1951*.

A designated medical practice engages a general practitioner who provides an exempt medical service. General practitioner has the same meaning as in the *Health Insurance Act 1973* (Cwlth) which will include medical practitioners who are registered under the Health Practitioner Regulation National Law in the speciality of general practice, trainee general practitioners, etc.

Employers that are a designated medical practice are exempt from the requirement to pay payroll tax under the Act in relation to exempt GP wages. Exempt GP wages is defined as wages paid or payable by the designated medical practice to a general practitioner that are attributable to an exempt medical service.

Medical service is defined with reference to the general medical services table which has the same meaning as in the *Health Insurance Act 1973* (Cwlth). Bulk-billed has the same meaning as in the *Health Insurance (General Medical Services Table) Regulations 2021* (Cwlth). Medicare items are also defined with reference to the general medical services table and included with bulk-billed.

The policy intention is to replicate the GP exemption available in both Victoria and South Australia, which expands the concept of the equivalent term of 'exempt medical service' to include payments to Veterans and under their relevant workers compensation schemes.

The Exemption

A designated medical practice is exempt from the liability to pay payroll tax if the GP excluded total wages for the financial year is less than the annual threshold amount or annual threshold amount as determined under *Taxation Administration Act 1999*, section 139.

A designated medical practice is exempt from the requirement to pay the annual surcharge rate or monthly surcharge rate if GP excluded total wages are below the amounts as determined under *Taxation Administration Act 1999*, section 139.

The provisions focus specifically on excluding exempt GP wages as defined in the Determination from an employer's (and its group's) taxable and total wages for the purpose of calculating ACT payroll tax.

Human Rights Act 2004

In accordance with section 137E (4) of the *Taxation Administration Act 1999*, the Determination includes a statement about whether the scheme is consistent with human rights.

This instrument provides an exemption from a liability to pay payroll tax for designated medical practices who engage general practitioners that are an exempt medical service.

The ACT Human Rights Commission has been consulted.