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## Employment Agency Contracts – Declaration by Exempt Client

An employment agency contract is a contract under which an employment agent procures the services of another person (the service provider) for a client of the employment agent.

The contract can be formal or informal, express or implied and includes an agreement, arrangement and undertaking.

This declaration is to be completed by a client of the employment agent who is exempt from paying payroll tax under Part 2, Division 2 of the *Payroll Tax Act 1971* (the Act) (see next page).

Unless this declaration has been given to the employment agent by the client, the agent must declare all amounts, benefits and payments in the employment agency contract as taxable wages.

The employment agent must keep this declaration for five years and be able to readily produce it for audit purposes.

Under the *Taxation Administration Act 2001*, it is an offence to give false or misleading information. You may also be liable to unpaid tax interest and/or penalty tax.

Name of employment agent	<input type="text"/>		
Date contract entered into	<input type="text"/>		
Name of client	<input type="text"/>		
Address	<input type="text"/>		
Suburb	<input type="text"/>		
State	<input type="text"/>	Postcode	<input type="text"/>
ABN	<input type="text"/>	ACN (if applicable)	<input type="text"/>

## Client's declaration

I, \_\_\_\_\_ being an authorised person of \_\_\_\_\_  
(Authorised Person of Client) (Legal Name of Client)

declare that the wages payable under the contract with \_\_\_\_\_  
(Name of Employment Agent)

do not attract payroll tax because those wages would be exempt from payroll tax under Part 2, Division 2 of the Act (other than section 14(2)(j), (k) or (l) or 14A of the Act), if they had been paid or provided by the client in relation to the service provider as an employee.

Signed \_\_\_\_\_ Date \_\_\_\_\_  
(Signature of Authorised Person of Client)



## Information

Section 13J(2) of the Act provides an exemption for the employment agent where:

- (1) The client of the employment agent would be exempt from payroll tax under Part 2, Division 2 of the Act (other than section 14(2)(j), (k) or (l) or 14A of the Act), if the amount, benefit or payment had been paid or provided by the client in relation to the service provider as an employee; and
- (2) The client has given a declaration in the approved form to the effect of (1) to the employment agent.

### Part 2, Division 2 Exemptions

Under Part 2, Division 2 of the Act, some wages are exempt from payroll tax in certain circumstances.

Exempt wages are predominantly those paid or payable by the following:

- public hospitals
- exempt charitable institutions (includes public benevolent institutions, non-profit hospitals, non-tertiary educational institutions and religious institutions)
- local governments, **except** to the extent that those wages are paid or payable:
  - (i) for or in connection with; or
  - (ii) for or in connection with the construction of any buildings or the construction of any works or the installation of plant, machinery or equipment for use in or in connection with;
    - electricity generation, distribution or supply
    - water supply
    - sewerage
    - transport services (including ferries)
    - abattoirs
    - public markets
    - parking stations
    - quarries
    - cemeteries
    - picture theatres
    - milk supply
    - hostels
    - hotels
    - bakeries

The exemption for employment agents applies only to wages paid or payable for work such exempt clients ordinarily require and the service providers must be engaged exclusively to perform work of that type.

Service providers engaged exclusively for work ordinarily required includes service providers involved in the normal course of the organisation's activities and those supplying administrative and management support. Service providers who are engaged to provide other services are not covered by this declaration.

#### Note that:

- An exemption granted by the Australian Taxation Office does not meet the requirements of Part 2, Division 2 of the Act.
- The exemption does not apply where the client does not pay payroll tax because the client's wages are below the payroll tax threshold.

The Office of State Revenue is collecting the information on this form for the purposes of administering State revenue. Collection of this information is authorised by the *Payroll Tax Act 1971*. Your personal information will not be disclosed without your consent except in the circumstances outlined in the *Taxation Administration Act 2001* or as otherwise authorised by law.

Office of State Revenue  
GPO Box 2248  
Brisbane Qld 4001

Client Contact Centre Ph: 1300 300 734

Visit our website at [www.osr.qld.gov.au](http://www.osr.qld.gov.au) for service centre locations and to obtain public rulings, information and approved forms relating to this and other State taxation subjects.