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Public Ruling General:

PUBLIC RULING SYSTEM: EXPLANATION AND STATUS

A public ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a public ruling, the change in the law overrides the public ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this ruling is about

1. The purpose of the public rulings system is to publish the views of the Commissioner in respect of the interpretation and application of the *Duties Act 2001* (the Duties Act), *Taxation Administration Act 2001* (the Taxation Administration Act), *First Home Owner Grant Act 2000* (the FHO Act), *Payroll Tax Act 1971* (the Payroll Tax Act), *Land Tax Act 2010* (the Land Tax Act) and *Betting Tax Act 2018* (the Betting Tax Act).
2. The purpose of this public ruling is to set out the system for public rulings, including how they take effect.

Ruling and explanation

The effect and status of a public ruling

3. A public ruling, when issued, is the published view of the Commissioner on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issues it addresses.
4. The Commissioner has a duty to assess and make decisions according to law. It would be contrary to this duty for the Commissioner to make an absolute commitment to be 'bound by' or to 'stand by' or 'abide by' public rulings when making original assessments and decisions. However, it is the Commissioner's practice to assess or make a decision in accordance with applicable public rulings.
5. Accordingly, where a person, acting reasonably and in good faith, adopts a position that is consistent with a public ruling, the Commissioner will generally not depart from the public ruling when issuing assessments or making decisions.

6. Whether a person has acted reasonably and in good faith is to be determined by a consideration of all the relevant circumstances. The following are examples of circumstances that would not be sufficient to demonstrate that a person has acted reasonably and in good faith:
 - (a) A person (or their representative) consults a public ruling and makes a determination that tax is not payable, or reduced tax is payable, by relying only on some of the relevant factors to which it refers, or by otherwise relying on parts of the ruling disjunctively from the broader ruling, rather than applying the public ruling as a whole.
 - (b) In making representations to the Office of State Revenue, or to a self assessor in relation to circumstances to which a public ruling applies, a person or their representative does not properly represent all the relevant facts that are known or ought to be known and that a reasonable person would consider relevant when reading the ruling as a whole.
7. Persons considering relying on a public ruling and their advisers should be aware that public rulings do not have the force of law, subject to the operation of s.20 of the Taxation Administration Act; and the Commissioner would be obliged to depart from a public ruling in certain circumstances, such as where:
 - (a) subsequent directly applicable case law establishes that statements in a public ruling are incorrect at law
 - (b) there has been legislative change, the effect of which is that the Commissioner would not be administering in accordance with the law if the Commissioner continued to apply the ruling
 - (c) the ruling relates to the exercise of discretion, and the application of the ruling in every case would improperly fetter the discretion afforded to the Commissioner under legislation
 - (d) where the Commissioner otherwise determines that the public ruling is incorrect at law and must be withdrawn or amended (an example may arise if dicta of a superior court indicates that the ruling is incorrect).
8. The Commissioner will depart from a public ruling in circumstances falling within subparagraphs (a) to (c) above, even if the ruling has not been amended or withdrawn.
9. If a taxpayer relies on a public ruling reasonably and in good faith and the Commissioner's decision to depart from the ruling results in the imposition of unpaid tax interest or penalty tax, remission will be considered in accordance with existing practice.¹
10. Public rulings are evidence of the Commissioner's legal interpretations and assessment practices; therefore, in relation to reassessments, taxpayers have the protection provided by s.20 of the Taxation Administration Act.

¹ See public rulings TAA060.1—*Remission of unpaid tax interest*, TAA060.2—*Penalty tax* and TAA060.3—*Penalty tax—home concessions*.

When a public ruling takes effect

11. Generally, a public ruling operates prospectively from its date of issue. Where a public ruling sets out the details of an approved administrative arrangement, the ruling will specify the date the administrative arrangement took effect. This may be a date that is before the date of issue of the public ruling.
12. Although a public ruling may operate prospectively, the interpretation or practice set out in the ruling may have existed before the date of its issue. Accordingly, unless the ruling is stated to have retrospective effect:
 - (a) to the extent that a public ruling reflects the Commissioner's existing interpretation or practice, that interpretation or practice continues
 - (b) to the extent that a public ruling alters the Commissioner's existing interpretation or practice, the new interpretation or practice takes effect from the date of issue of the public ruling.
13. The terms of this public ruling will apply even if a particular public ruling has a retrospective date of effect that is before 24 February 2009, the date on which the public ruling system commenced.²
14. A public ruling contains, under the heading 'References', a table setting out the history of rulings on the topic. This table includes details of the period of effect of each version of the public ruling and, where the views of the Commissioner on the topic were previously contained in a revenue ruling or practice direction, the details of the version of the revenue ruling or practice direction in force immediately before the issue of the first version of the public ruling.³

Public ruling naming conventions

15. The naming convention adopted for public rulings in relation to a particular Act is:

(Abbreviated name of Act)(Section reference).(Ruling number).(Ruling version)
16. The abbreviations used in naming Act-specific public rulings are as follows:
 - (a) DA—the Duties Act
 - (b) FHOGA—the FHOG Act
 - (c) LTA—the Land Tax Act⁴
 - (d) PTAQ—the Payroll Tax Act⁵
 - (e) BTA—the Betting Tax Act
 - (f) TAA—the Taxation Administration Act.

² The Public Ruling system commenced on the Commissioner issuing Public Ruling GEN001.1—*Public Ruling system: explanation and status* on 24 February 2009.

³ See also Public Ruling GEN002.1—*Withdrawal of Revenue Rulings and Practice Directions*.

⁴ Any public rulings issued under the *Land Tax Act 1915* (now repealed) have an abbreviation of LTA(1915).

⁵ See also paragraphs 23–27 in relation to harmonised payroll tax public rulings.

17. Generally, the section reference identified in the name of the public ruling is the section that is the primary focus of the ruling. Where the public ruling relates to a number of sections within a particular Act, or the Act generally, '000' may be used as the section reference in its name.
18. The inclusion of a ruling number in the name of the public ruling recognises that the Commissioner may issue multiple rulings in relation to different issues associated with a particular section of an Act. Each such separate public ruling will have a distinct ruling number.
19. Each time a new version of a particular public ruling is issued, the ruling version will be increased by one.

Example 1

Public Ruling DA030.1.1 is the first version of the first public ruling that relates to s.30 of the Duties Act.

If that public ruling is amended, the new version of the public ruling will be named 'Public Ruling DA030.1.2'.

Alternatively, if a separate public ruling is issued that deals with another aspect of the Commissioner's interpretation or application of s.30 of the Duties Act, the first version of that ruling will be named 'Public Ruling DA030.2.1'.

20. Unless it is necessary to refer to a specific version, a public ruling may be identified by its ruling number alone (e.g. Public Ruling DA030.1).
21. In addition to Act-specific rulings, the Commissioner will also issue public rulings that deal with multiple Acts. The name of these general public rulings takes the form 'GEN(Ruling number).(Ruling version)', where '(Ruling number)' is a three-digit number. As with the Act-specific rulings, a new version of a general public ruling will maintain the same ruling number but the ruling version will increase by one.
22. The naming convention for a proposed public ruling released in draft form is discussed in paragraph 30 below.

Harmonised payroll tax public rulings

23. The *Pay-roll Tax (Harmonisation) Amendment Act 2008* amended the Payroll Tax Act with effect from 1 July 2008 to harmonise certain aspects of Queensland's payroll tax system with the systems of certain other jurisdictions (harmonised jurisdictions). As well as legislative amendment, harmonisation involves harmonised jurisdictions adopting common interpretations and practices in relation to their respective payroll tax legislation.
24. Details of certain of those common interpretations and practices are published in each harmonised jurisdiction. In Queensland, such publication is by way of a public ruling.
25. In order to maintain consistency with other jurisdictions, such public rulings (harmonised payroll tax public rulings) do not adopt the naming convention referred to in paragraph 15. Rather, the name of such a public ruling takes the form 'PTA(Ruling number).(Ruling version)', where '(Ruling number)' is a common three-digit number used by each harmonised jurisdiction to identify that jurisdiction's ruling on the particular topic.

26. If an existing harmonised payroll tax public ruling is amended:
- (a) at the same time as the equivalent rulings in other harmonised jurisdictions—the ruling number will be replaced with a new three-digit number, and the ruling version will be reset to '1'
 - (b) independently of the equivalent rulings (for instance, as a result of an amendment to the Payroll Tax Act that does not occur in any other harmonised jurisdiction)—the ruling number will remain the same, but the ruling version will increase by one.
27. As some aspects of Queensland's payroll tax system have not been harmonised with the harmonised jurisdictions, the Commissioner may publish public rulings relating to the Payroll Tax Act that are not replicated in other harmonised jurisdictions. Such rulings will adopt the naming convention referred to in paragraph 15.

Draft public rulings

28. The Commissioner may decide to release a draft version of a proposed public ruling (draft public ruling) to the Taxation Consultative Committee (TCC), Property Consultative Committee (PCC) or the public generally. The desirability, extent and duration of any such consultation will be determined by the Commissioner on a case-by-case basis.
29. Draft public rulings may not necessarily reflect the Commissioner's interpretation or practice at the time of release for consultation. Accordingly, unless the draft ruling is stated to have retrospective effect if issued as a final public ruling:
- (a) to the extent that a draft public ruling reflects the Commissioner's existing interpretation or practice, that interpretation or practice continues
 - (b) to the extent that a draft public ruling alters the Commissioner's existing interpretation or practice, the new interpretation or practice will not take effect unless and until the draft ruling is issued as a final public ruling.
30. A draft public ruling will have the letter 'D' appended to its name. If the draft ruling is issued in final form, the letter 'D' will not be included in its name.

Example 2

The Commissioner prepares a proposed public ruling in relation to s.31 of the Duties Act, and decides to release a draft of the public ruling to the TCC and PCC for comment.

When released in draft form, the public ruling will be named 'Public Ruling DA031.1.1D'.

The public ruling is ultimately issued after the consultation process, and will be named 'Public Ruling DA031.1.1'.

31. As a draft public ruling will not have effect, the words 'not current' will appear in the reference table.

Withdrawal of public rulings

32. The version of a public ruling that is current at a particular time may be withdrawn by the Commissioner by publication of a new version of that ruling. As a general rule, the new version will take effect from the date specified in it, and the current version will remain in effect until immediately before the new version taking effect.
33. Alternatively, if all the public rulings in relation to a particular Act are to be withdrawn (for example, on the repeal of the particular Act), the Commissioner may withdraw those rulings by publication of a single general (GEN) public ruling.

Date of effect

34. This public ruling takes effect from 1 October 2018.

Elizabeth Goli
Commissioner of State Revenue
Date of issue: 27 September 2018

References

Public Ruling	Issued	Dates of effect	
		From	To
GEN001.5	27 September 2018	1 October 2018	30 September 2020
GEN001.4	13 September 2017	13 September 2017	30 September 2018
GEN001.3	30 June 2010	30 June 2010	12 September 2017
GEN001.2	3 July 2009	3 July 2009	29 June 2010
GEN001.1	24 February 2009	24 February 2009	2 July 2009