

MEDIA RELEASE

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Patient tax will force up healthcare costs for the most vulnerable

AMA Queensland Election Priorities 2024 – Payroll Tax Exemption

Doctors have called for an exemption from payroll tax for all private medical practices, warning the new levy will have to be passed on to patients during a cost-of-living crisis.

GPs remain concerned about what will happen when the current amnesty ends in June 2025, while non-GP private specialists are not eligible for the amnesty.

"We have an election in four weeks' time and we need to know where our political parties stand on forcing up healthcare costs for our most vulnerable patients," AMA Queensland President Dr Nick Yim said.

"Our members tell us that payroll tax is a patient tax, as practices cannot afford to absorb the extra cost.

"It could add between \$7 and \$30 to the cost of a GP visit, which is particularly hard on patients on low incomes, families, and patients who require multiple follow up appointments such as those living with chronic diseases or in residential aged care facilities.

"We thank the government for the amnesty for GPs, and the Queensland Revenue Office for its Public Ruling clarifying that payments made by a patient directly to a GP, including Medicare rebates, will not attract payroll tax.

"However, it is not clear how this Public Ruling will work when the federal government's new MyMedicare system comes into effect. MyMedicare ties Medicare funding for enrolled patients to the practice, not the GP.

"It's also not just the tax. Practices tell us that the administrative cost of changing payment flows ranges from \$2,000 to \$50,000 depending on the size of the practice, existing contracts with doctors and other fixed business structures.

"They just can't afford that and must pass it onto patients.

"GPs remain concerned that they will be audited once the amnesty ends, and non-GP private specialists have no certainty that they will not be hit with crippling five-year retrospective liability notices out of the blue.

"Exempting private practices from this tax is a practical solution that will help provide certainty about costs for these small businesses.

"Payroll tax remains an ongoing concern and we call on all parties to commit to an exemption for all private practices, consistent with arrangements for public and most private hospitals.

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“We are in a cost-of-living crisis and now is not the time to make seeing a GP or other specialist more expensive for patients, many of whom are older with more chronic disease. We should be investing in preventive care, not taxing it.”

The payroll tax exemption is part of AMA Queensland’s [Election Priorities 2024](#), which lays out a blueprint for all political parties for reform of the Queensland healthcare system.

Background

- In late 2021, AMA Queensland members reported receiving backdated payroll tax bills following a tribunal decision in New South Wales that changed that state’s interpretation of tax law.
- Members were concerned that the unexpected and expensive bills could force them to close their practices.
- In February 2023, following concerted AMA Queensland advocacy, the government announced an amnesty for eligible general practices until 30 June 2025 to give practices time to restructure their businesses to comply with a new Public Ruling.
- A second Public Ruling was issued in September 2023 clarifying that payments made directly by the patient to the doctor did not attract payroll tax.

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