



**DEPARTMENT OF FINANCE  
TAXATION AND FISCAL POLICY BRANCH**

**Bulletin No. HAPSET 507  
Issue Date: April 2008**

---

**TAX INFORMATION BULLETIN  
HEALTH & POST SECONDARY EDUCATION TAX  
Exemption Threshold Adjustments**

---

Budget 2008 announced changes to the exemption threshold for the Health and Post Secondary Education Tax, commonly referred to as the payroll tax.

Effective from January 1, 2008, employers with payroll up to \$1 million will no longer be taxable. All other employers with payrolls over \$1 million will receive a tax reduction of up to \$10,000, depending on their payroll amount for 2008.

Employers who are associated with other corporations or who are in partnership with other employers who pay remuneration to employees, are required to file an allocation agreement for the purposes of allocating the exemption threshold. For these employers, the Department will allocate the revised exemption threshold based on the most recently filed allocation agreement.

Employers whose cumulative payroll for the calendar year 2008 will not exceed \$1 million will not be required to pay payroll tax. For those employers whose reported cumulative payroll for the calendar year 2008 has already exceeded the old thresholds, an adjustment to reflect the new threshold will be required. **The Department will review those accounts and make the required adjustment which will be detailed on your next statement. Employers may then take any overpayment shown as a credit against future remittances.**

---

Should you require information regarding any of the tax laws administered by the Tax Administration Division, please contact the office nearest you.

Tax Administration Division  
Confederation Building  
P.O. Box 8700  
St. John's, NL  
A1B 4K1  
Phone: (709) 729-6297  
Fax: (709) 729-2856  
Toll Free 1-877-729-6376

**Disclaimer:** These bulletins are prepared as guidelines and interpretations of the statutes. Where a conflict between the bulletins and statutes arise, the statutes will take precedence.