



Client Alert – NSW State Government Stimulus Package – Payroll Tax

As part of the first round of stimulus the NSW Government have 2 levels of relief for businesses, specifically in relation to Payroll Tax. The stimulus measures are not yet legislated and as such may change through either the final legislation and or further expansion of the stimulus package.

In Summary

Small Businesses with Employees in NSW – Immediate Assistance

The first level stimulus is available to businesses where their **grouped Australian wages** do not or will not exceed more than \$10million for the 2019/2020 financial year. It is important to note that the threshold uses the definition of wages for Payroll Tax purpose which is inclusive of Superannuation, Reportable Fringe Benefits etc.

This stimulus measure essentially provides that businesses will have their annual Payroll Tax liability reduced 25% when they lodge their annual reconciliation, which is due 28 July 2020.

For those businesses that lodge and pay **monthly**, and whose total **grouped Australian wages** are less than or will be less than \$10million for the 2019/2020 financial year, you will not be required to make any payment for the months of March 2020, April 2020 and May 2020. This arrangement is welcomed so as to provide some immediate cashflow support.

Please note that, notwithstanding the 25% reduction, you will still be required to disclose 100% of your **grouped Australia wages** in your annual reconciliation.

Small Businesses with Employees in NSW – 2021 Threshold

The NSW State Government have also confirmed that the NSW threshold will **increase** for the 2021 financial year to \$1million (up from \$900,000), effective 1 July 2020. Other states may follow with threshold increases.

Small Businesses with Employees in NSW & Other States in Australia

For businesses that have employees in multiple states, the stimulus measures will vary from state to state. Below are the links to the Victorian and Queensland summary information on stimulus concessions as they currently stand.

[Victoria](#)

[Queensland](#)



NSW Extends Stimulus Package

The NSW State Government have announced further extension to the offering. Whilst further details will have to follow a link to the press release is provided below.

[NSW State Government Press Release 27 March 2020](#)

END

