



# PAYROLL TAX RELIEF

COVID-19 RESPONSE



TASMANIA

## WAIVER OF 2019-20 PAYROLL TAX FOR AUSTRALIAN WAGES (AND AUSTRALIAN GROUP WAGES) OF UP TO \$5 MILLION ANNUALLY

Eligibility criteria:

Tasmanian employers must meet the following eligibility criteria in 2019-20 to qualify for the waiver:

Australian Wages (or Australian Group Wages if part of a group) must be \$5 million or less; and

One of the following three points must apply:

- ▶ You are not grouped and only pay wages in Tasmania; or
- ▶ You are not grouped, and the Tasmanian portion of your wages will be 50 per cent or more of your total Australian Wages; or
- ▶ You are grouped and the Tasmanian portion of the Australian Group Wages will be 50 per cent or more of the group's Australian Group Wages; and

Your business must have been adversely affected by COVID-19 during 2019-20.

## HOW TO APPLY

To apply for the payroll tax waiver, complete the [application form](#) and return it to the State Revenue Office (SRO).

If your application is approved:

- ▶ You will not be required to lodge monthly payroll tax returns for March, April and May 2020; and
- ▶ Any of the above monthly returns you have lodged will be cancelled; and
- ▶ A refund will be issued to the bank account currently nominated by your business in Tasmanian Revenue Online (TRO) for any payroll tax paid for the 2019-20 financial year.



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Although payroll tax has been waived, your AAR must still be lodged by 21 July 2020. Therefore, you must still keep your wages records as usual for the financial year. More information about completing the AAR will be provided when the return becomes available on TRO.

## FAQS

### What if the wages estimate on my application is incorrect?

If you estimated that total wages would be \$5 million or less, but wages in your AAR (either individually or as part of a group) are greater than \$5 million, it is likely that the payroll tax waiver will not apply and you will be required to pay payroll tax for the 2019-20 financial year. The Commissioner of State Revenue has discretion to maintain a waiver of payroll tax if total wages for the year were over \$5 million. It is likely that the discretion will only be applied where total wages are only marginally over \$5 million, and the original estimation of wages was undertaken with a reasonable expectation that wages would be below \$5 million.

## WAIVER OF 2019-20 PAYROLL TAX FOR THE HOSPITALITY, TOURISM, AND SEAFOOD INDUSTRIES

Eligibility criteria:

Tasmanian employers must meet the following eligibility criteria in the 2019-20 financial year to qualify for the waiver of payroll tax for wages paid or payable to eligible employees in that financial year. Eligible employees are only those employees who solely or predominantly work in one or more of the relevant industries:

- You must employ at least one employee who solely or predominantly works in one or more of the hospitality, tourism, or seafood industries; and
- One of the following must apply:
  - you are not grouped and only pay wages in Tasmania; or
  - you are not grouped, and the Tasmanian portion of your wages will be 50 per cent or more of your total Australian Wages; or
  - you are grouped and the Tasmanian portion of the Australian Group Wages will be 50 per cent or more of the group's Australian Group Wages.



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## HOW TO APPLY

To apply for the payroll tax waiver, complete the [application form](#) and return it to the State Revenue Office (SRO).

If your application is approved:

- ▶ You will not be required to lodge monthly payroll tax returns for March, April or May 2020; and
- ▶ The SRO will liaise with you regarding the process for calculating your refund entitlement in respect of your monthly returns for July 2019 to February 2020.

Although payroll tax has been waived, your AAR must still be lodged by 21 July 2020. Therefore, you must still keep your wages records as usual for the financial year. More information about completing the AAR will be provided when the return becomes available on TRO. Please note the payroll tax waiver only extends to wages paid or payable to your eligible employees that work solely or predominantly in one or more of the abovementioned industries. You may still need to pay payroll tax for your other employees in your AAR.

## FAQS

### What are the eligibility criteria?

Tasmanian employers must meet the following eligibility criteria in the 2019-20 financial year to qualify for the waiver of payroll tax for wages paid or payable to eligible employees in that financial year. Eligible employees are only those employees who solely or predominantly work in one or more of the relevant industries:

- You must employ at least one employee who solely or predominantly works in one or more of the hospitality, tourism, or seafood industries; and
- One of the following must apply:
  - you are not grouped and only pay wages in Tasmania; or
  - you are not grouped, and the Tasmanian portion of your wages will be 50 per cent or more of your total Australian Wages; or
  - you are grouped and the Tasmanian portion of the Australian Group Wages will be 50 per cent or more of the group's Australian Group Wages.



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## **PAYROLL TAX TWELVE-MONTH REBATE FOR NEW YOUTH EMPLOYEES (AGED 24 YEARS AND UNDER)**

This measure provides a twelvemonth payroll tax rebate to approved employers for new youth employees (aged 24 years and under).

The new youth employees must be employed at a point between 1 April and 31 December 2020.



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