



PAYROLL TAX RELIEF

COVID-19 RESPONSE



WESTERN
AUSTRALIA

The Government has announced a range of payroll tax measures to support businesses impacted by the coronavirus.

- ▶ The payroll tax threshold will be increased to \$1 million on 1 July 2020. This brings the increase forward from the planned date of 1 January 2021 and will result in approximately an additional 300 businesses no longer being liable for payroll tax. The threshold increase will be reflected in Revenue Online when it comes into effect.
- ▶ Payroll tax will be waived for March to June for employers who have Australian taxable wages of less than \$7.5 million at 30 June 2020. This waiver replaces the previously announced option to defer payment of payroll tax until July.
- ▶ Employers, or groups of employers, with Australian taxable wages less than \$5 million at 29 February can automatically claim the waiver by:
 - declaring WA taxable wages as normal in Revenue Online and
 - recording the value of WA taxable wages as exempt wages using the 'Other Exempt Wages' field.
- ▶ Employers, or groups of employers, with Australian taxable wages of \$5 million or more at 29 February, or new employers registered for payroll tax from 1 March 2020, can apply to defer lodgment and payment of returns. Payroll tax for March to June 2020 will be waived at annual reconciliation if Australian taxable wages are less than \$7.5 million at 30 June 2020.

AUSTRALIAN TAXABLE WAGES LESS THAN \$5 MILLION AT 29 FEBRUARY 2020

How to apply

Do not apply for the waiver. Your payroll tax for March to June will automatically be waived.

- ▶ Lodge and pay all return up to and including your February return.
- ▶ If your Australian taxable wages (including WA taxable wages and interstate taxable wages) are less than \$5 million, lodge your returns for March to June, entering your WA taxable wages as normal. Then record your WA taxable wages in the 'exempt (other) wages' field to apply the waiver.
- ▶ You will continue to be entitled to the waiver even if your Australian taxable wages are \$7.5 million or more at 30 June 2020.



02 9970 5267



paul.bailey@northernbeachesaccountants.com.au



<https://www.northernbeachesaccountants.com.au/>



PAYROLL TAX RELIEF

COVID-19 RESPONSE



WESTERN
AUSTRALIA

AUSTRALIAN TAXABLE WAGES \$5 MILLION OR MORE AT 29 FEBRUARY 2020, OR NEW EMPLOYERS FROM 1 MARCH 2020

How to apply

Apply to defer lodging and paying returns if your Australian taxable wages were \$5 million or more at 29 February and you expect your wages to be less than \$7.5 million at 30 June, or if you are a new employer registered for payroll tax from 1 March 2020.

Payroll tax for March to June 2020 will be waived at annual reconciliation if Australian taxable wages are less than \$7.5 million at 30 June 2020.

- ▶ Complete the [Application Form](#) and submit it via a [web enquiry](#). If you are a member of a group for payroll tax purposes, the designated group employer (DGE) must submit the application.
- ▶ Lodge and pay all returns up to and including your February return.

If your application is approved, your due date for lodgment and payment will be extended to 21 July. Your approval advice will include instructions for completing annual reconciliation.

- ▶ If your 2019-20 annual Australian taxable wages are less than \$7.5 million, payroll tax for the March to June returns will be waived.
- ▶ If your 2019-20 annual Australian taxable wages are \$7.5 million or more, you will need to complete your returns and pay tax for the months that were deferred.

If you expect your annual Australian taxable wages will be \$7.5 million or more and you are concerned about meeting your payroll tax obligations, you can [apply online for an interest-free payment arrangement](#).

FAQS

How long will payroll tax be waived?

Payroll tax will be waived for a four-month period between March 1, 2020 to June 30, 2020 for small-to-medium sized businesses with Australia-wide annual wages of less than \$7.5 million in 2019-20.



02 9970 5267



paul.bailey@northernbeachesaccountants.com.au



<https://www.northernbeachesaccountants.com.au/>



PAYROLL TAX RELIEF

COVID-19 RESPONSE



WESTERN
AUSTRALIA

How will this help small businesses?

This will deliver around \$165 million in relief to around 10,700 businesses that will not be required to pay payroll tax for this period.

Can I apply if my business has not been affected by Covid-19?

The Treasurer encourages eligible businesses not negatively affected by COVID-19 coronavirus to keep paying tax as normal so the funds allocated to this initiative can be used to assist other businesses that are not so fortunate.



02 9970 5267



paul.bailey@northernbeachesaccountants.com.au



<https://www.northernbeachesaccountants.com.au/>