

## **Government Stimulus Measure: NSW Payroll Tax Reduction**

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### **What is the stimulus/relief?**

Employers whose total grouped Australian wages for the 2019/20 financial year are no more than \$10,000,000 will have their 2019/20 annual payroll tax liability reduced by 25%.

### **What is aimed to do?**

The measure is part of a broader economic stimulus package released by the NSW government to protect at risk jobs.

### **Who is eligible?**

Employers whose total grouped Australian wages for the 2019/20 financial year are no more than \$10,000,000 will be eligible for the relief. Grouping provisions are likely to apply in the same way they ordinarily do.

### **How do I get it?**

There is no need to apply for the relief.

For eligible employers, no payment will be required in respect of the upcoming March, April and May 2020 payroll tax lodgements. When lodging your annual reconciliation for 2019/20, you will still need to provide wages details for the full year but you will receive a 25% reduction on the amount of payroll tax payable on those wages.

### **Who should use this stimulus/other considerations?**

In addition to this measure, the NSW government has also announced that the payroll tax tax-free threshold will increase from \$900,000 to \$1,000,000 effective 1 July 2020.

More Info

<https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/payroll-tax>

### **Closing comment**

The government is moving quickly and things are changing daily with regards to the response to COVID-19. Should you have any queries regarding this measure or any Government measure announced in relation to COVID-19, please contact your Brentnalls Tax Specialist.