

South Australian Government Stimulus Measure: Payroll Tax Relief

What is the stimulus/Relief?

South Australian payroll tax for the next 6 months (April to September 2020) will be waived for all businesses with annual group wages of up to \$4 million.

For businesses with Australian wages more than \$4 million, there is a payment deferral available for employers that can demonstrate that their business has been significantly affected by COVID-19. If eligible, these employers will be able to defer payroll tax payments for 6 months, meaning payments from April to September will be due in October 2020.

What is aimed to do?

This measure is designed to support South Australian businesses through the coronavirus pandemic and encourage businesses to continue to employ staff where possible.

Who is eligible?

Businesses with annual group wages of up to \$4 million (including superannuation, fringe benefits etc) are eligible for the waiver. Grouping provisions apply as usual.

Other businesses who can demonstrate their business has been significantly impacted by COVID-19 can apply for the payment deferral.

How do I get it?

Employers with grouped wages below \$4 million in the 18/19 financial year will not need to apply for the relief, it will be automatically applied. These businesses need to continue to lodge their monthly payroll tax returns, but do not need to make any payments. For businesses that were not liable last year, an online application form will be made available.

Employers with grouped wages above \$4 million will need to apply via an online application for a payment deferral. Their application must demonstrate that they have been significantly impacted by COVID-19. Lodgement of monthly returns must continue, however payment will be deferred to October 2020.

Online applications are still in the process of being developed. We will keep you updated as administrative processes are finalised.

Who should use this stimulus / other considerations?

This stimulus measure will not provide any assistance for businesses with annual group wages of less than \$1,500,000 (as they do not pay payroll tax). The current payroll tax thresholds and rates:

Annual Australian Taxable Wages	Rate
\$0 to \$1.5 million	0%
\$1.5 million to \$1.7 million	Variable from 0% to 4.95%
Over \$1.7 million	4.95%

The 6-month waiver and payment deferrals for April to September 2020 relate to lodgements for March to August 2020.

The South Australian state government has also announced a 6 month deferral of 2020 land tax payments.

More Info: <http://www.revenuesa.sa.gov.au/grants-and-concessions/covid19-relief>

Closing comment

The government is moving quickly and things are changing daily with regards to the response to COVID-19. The above information is current as of 23 March 2020. Should you have any queries regarding this measure or any Government measure announced in relation to COVID-19, please contact your Brentnalls Tax Specialist.