

Government Stimulus Measure: Tasmania Payroll Tax Relief

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What is the stimulus/Relief?

Tasmanian payroll tax for the last 4 months of the 2019/20 year (March to June 2020) will be waived for businesses in the hospitality, tourism and seafood industries. There is also a waiver of payroll tax for the 3 months April 2020 to June 2020 for other businesses with Australian group wages of up to \$5 million annually that can demonstrate that their business is affected by the coronavirus.

What is aimed to do?

This measure is designed to help Tasmanian businesses survive through the coronavirus pandemic and continue to employ staff where possible.

Who is eligible?

Businesses in the hospitality, tourism and seafood industries will be eligible for the waiver for the last 4 months of the financial year, regardless of wage levels or turnover. Other businesses that have Australian group wages not exceeding \$5 million can apply for a waiver for the last 3 months of the financial year, and will need to demonstrate their business has been affected by the coronavirus.

How do I get it?

Employers in the hospitality, tourism and seafood industries will not be required to lodge payroll tax returns for March, April and May 2020. They will still need to lodge the Annual Adjustment Return for 2019-20, where a waiver of payroll tax for the months of March, April, May and June 2020 will be applied.

Other businesses with annual wages not exceeding \$5 million will need to apply for the 3 month waiver. Details of the application process has not yet been published at time of writing.

Who should use this stimulus/other considerations?

This stimulus measure will not provide any assistance for businesses with annual taxable wages of less than \$1.25 million (as they do not pay payroll tax), or for businesses outside the hospitality, tourism and seafood industries that cannot demonstrate they have been affected by the coronavirus or have annual wages of over \$5 million.

The Tasmania government has announced other non-tax related small business stimulus measures. More information on these measures and the payroll tax relief can be found at the below links:

<https://www.sro.tas.gov.au/payroll-tax/coronavirus>

http://www.premier.tas.gov.au/documents/FACT_SHEETS_-_STIMULUS_PACKAGES_Final-V2.0.pdf

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.