

Government Stimulus Measure: WA State Taxes

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WA (Updated 1 April 2020)**

What is the stimulus/Relief?

The McGowan Government have announced a package to assist businesses and households, including:

- Bring forward of Payroll Tax Relief to 1 July 2020
- One-off \$17,500 grant to businesses with payroll between \$1m and \$4m from July 2020
- Waiver of payroll tax from 1 March to 30 June for small to medium-sized businesses
- Freezing of household fees and charges
- Early assistance package to support the tourism sector (marketing, and more affordable regional flights).
- One-off \$2,500 credit against electricity invoices for small to medium businesses (< 50 megawatt hours annually)
- Interest free and penalty free deferrals of some payments
- Licence fee waivers for some businesses for 4 months
- Small businesses and households impacted by COVID 19 will not be disconnected from water and electricity

What is aimed to do?

The stimulus package is primarily related to payroll tax relief to small businesses with taxable wages of \$1million to \$4million.

There is also a waiver of payroll tax for 4 months if the annual taxable wages are less than \$7.5million.

Provide cash flow relief to small businesses and households who have been impacted by COVID 19.

Who is eligible?

Small businesses with taxable wages between \$1million and \$4million will receive a one off grant of \$17,500 paid in July 2020.

The previously announced increase to the payroll tax threshold from \$950,000 to \$1million will be brought forward from 1 January 2021, and will now apply from 1 July 2020.

For businesses with taxable wages under \$7.5million, a 4-month waiver of payroll tax to businesses. This measure replaces the previously announced deferral of payments.

Who should use this stimulus/other considerations?

Some businesses may have reduced or stopped salaries to Directors due to profitability, or Payroll Tax reasons.

It is highly recommended that any salary arrangements to related parties are reviewed to ensure the above grants provide the most value to the business, and reviewed in conjunction with the federal stimulus packages already announced.

Consideration should also be given to income tax, FBT, and Super Guarantee.

More Info

[https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/\\$1-billion-COVID-19-economic-and-health-relief-package-unveiled-.aspx](https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/$1-billion-COVID-19-economic-and-health-relief-package-unveiled-.aspx)

<https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/COVID-19-economic-response-Relief-for-businesses-and-households.aspx>

Closing comment

The response from Federal and State Governments are changing at a rapid pace. We will continue to keep you updated on developments as they arise.

Should you have any questions on how the above stimulus packages affect your business, please don't hesitate to contact this office.