



JOBKEEPER

IMPLICATIONS FOR EMPLOYERS – PAYROLL TAX – WA

The Government has introduced payroll tax measures to support businesses that have been impacted by COVID-19.

Payroll tax will be waived from March to June 2020 for employers, or groups of employers, whose Australian taxable wages are less than \$7.5 million at 30 June 2020.

Employers must retain evidence of their Australian taxable wages at 29 February 2020 showing their entitlement to claim the waiver.

For group employers, the designated group employer (DGE) is responsible for determining the group's Australian taxable wages and for notifying group members if the group is eligible for the waiver. Group members must retain evidence to show the DGE notified them of their eligibility to claim the waiver.

Under the Australian Government's JobKeeper Payment scheme, wage subsidies will be paid to employers impacted by COVID-19 to help them continue paying their employees. On 9 April 2020, the Premier announced that these payments would be exempt from payroll tax.

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.

A one-off grant of \$17,500 will be given to employers or groups of employers, whose annual Australian taxable wages are more than \$1 million and less than \$4 million.

Australian taxable wages less than \$5 million at 29 February 2020:

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

- Lodge and pay all returns 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.

Australian taxable wages \$5 million or more at 29 February 2020, or new employers from 1 March

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](#).

The *Pay-Roll Tax Relief (COVID-19 Response) Act 2020* received Royal Assent on 20 April 2020 and is deemed to take effect from 1 March 2020. The Act deals with the payroll tax waiver and the exemption for payments made under the JobKeeper Payment scheme.

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