



Dominic Perrottet
Treasurer

MEDIA RELEASE

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NSW BUSINESSES TO BENEFIT FROM TODAY AS PAYROLL TAX MEASURES TAKE EFFECT

Hundreds of millions of dollars will remain in the hands of NSW businesses from today, giving them much needed cash flow and allowing them more scope to retain employees, with the NSW Government's payroll tax assistance beginning to take effect.

The NSW Government has deferred payroll tax payments for all businesses for six months in response to the COVID-19 pandemic.

Businesses with payrolls of \$10 million or less will also be eligible for a 25 per cent reduction in their annual liabilities for 2019-20, when they complete their annual reconciliation. These businesses will save around \$450 million in payroll tax in 2019-20.

NSW Treasurer Dominic Perrottet said these measures will provide much needed cash flow and boost the liquidity of business at a critical time.

"This is about ensuring businesses are not paying tax when they are most in need," Mr Perrottet said.

"Instead of sending the Government a payment we have deferred their tax to free up their funds at this critical time."

The latest monthly payroll tax payments for businesses are due on 7 April and these payments can be deferred.

NSW Treasurer Dominic Perrottet said the health, families and jobs of the people of the state are all top priorities.

"This will leave money in the pockets of businesses which will help them deal with this once-in-a generation event," he said.

"These are unprecedented times and we want to give NSW businesses every opportunity to make it through to the other side."

The NSW Government on 17 March announced the following measures:

- 25 per cent reduction of annual payroll tax liabilities for businesses with payrolls of \$10 million or less in 2019-20, meaning these businesses will save a quarter of their annual payroll tax bill for 2019-20. This measure will provide \$450 million in tax savings.
- Bringing forward the next round of payroll tax cuts by increasing the threshold to \$1 million on 1 July 2020. This measure will provide \$56 million in tax savings.

The NSW Government on 27 March announced the following measures:

- The deferral of payroll tax payments for all businesses, including those with payrolls over \$10 million, for six months (up to \$4 billion deferred). Small businesses that already received a 25 per cent reduction in payroll tax for 2019-20 in the first announcement would now get an additional three-month deferral as well.

On 3 April, the NSW Government announced thousands of small businesses across NSW would receive grants of up to \$10,000 under the \$750 million Small Business Support Fund.

Mr Perrottet said the NSW Government is doing all it can to help keep businesses afloat.

“We’re supporting them to keep people in jobs and businesses in business,” he said.

MEDIA: Amber Muir | Treasurer | 0447 695 520