

QLD Payroll Tax Changes

Will the Changes Benefit Your Business?

JULY ISSUE

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The Queensland State Government recently announced reforms to the Payroll Tax regime for the 2019-20 financial year and beyond.

The new initiatives aim to support small and medium sized businesses in Queensland employ more staff and increase employment in regional Queensland. Estimates by the State Government predict that approximately 13,200 small and medium sized businesses around Queensland will be better off under the reform.

New Payroll Tax Threshold

The Queensland Government has legislated changes that have increased the annual payroll tax threshold from \$1.1m annually to \$1.3m annually.

Payroll Tax Thresholds		
	2012-13 to 2018-19	2019-20 and beyond
Weekly Threshold	\$21,153	\$25,000
Monthly Threshold	\$91,666	\$108,333
Yearly Threshold	\$1,100,000	\$1,300,000

The State Government also announced a new tax rate from 1 July 2019. Businesses in Queensland with annual taxable wages in excess of \$6.5m will be required to pay payroll tax at a rate of 4.95%. In comparison, businesses with annual taxable wages of less than \$6.5m will continue to pay payroll tax at a rate of 4.75%.

Previously, businesses with annual Australian taxable wages between \$1.1m and \$5.5m received a deduction of \$1 for every \$4 of taxable wages over \$5.5m. Businesses will now receive the same deduction with the range now being between \$1.3m and \$6.5m.

Payroll Tax Deduction Thresholds		
	2012-13 to 2018-19	2019-20 and beyond
Monthly Threshold	\$91,666 to \$458,333	\$108,333 - \$541,666
Yearly Threshold	\$1,100,000 to \$5,500,000	\$1,300,000 to \$6,500,000



Lower Rates for Regional Businesses

The State Government also plans to increase employment rates in regional Queensland by reducing the payroll tax rate for businesses in these areas. The payroll tax rate for businesses with taxable wages of \$1.3m to \$6.5m will be reduced by 1% to 3.75%. Businesses with taxable wages over \$6.5m will pay payroll tax at a rate of 3.95%, also a reduction of 1%. This applies to businesses that pay 85% of their taxable wages to employees who reside in regional Queensland and have a registered business address in the following areas:

- Cairns;
- Central Queensland;
- Darling Downs Maranoa;
- Mackay – Isaac – Whitsunday;
- Queensland – Outback;
- Townsville; and
- Wide Bay.

Payroll Tax Rebates

A rebate of up to \$20,000 per year is available to businesses that can demonstrate growth in their level of full-time employees. This applies as a 100% rebate on the payroll tax relating to the net growth in employees. A baseline of full-time employees on 1 July 2019 should be recorded and employee counts on the last day of each month also need to be completed to demonstrate growth in full-time employee levels.

The State Government has also announced an extension to the apprentice and trainee payroll tax rebate for an extra two years. Businesses are able to claim a 50% rebate on the payroll tax on any apprentice and trainee wages.

The State Government will also continue with the Back to Work initiative which is available for employers who hire an eligible jobseeker. The employer is able to receive a payment of up to \$20,000.

For more information and to see if the changes will affect your business, please contact our office.

For more information, contact our office:

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