

COVID-19 Relief: Payroll Tax Employer Guide

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

This includes bringing forward and increasing the payroll tax threshold from 1 July 2020, allowing impacted businesses to defer payment of their returns until 21 July 2020, and providing a one-off grant payment to small and medium-sized businesses.

Threshold increase

The **threshold will be increased to \$1 million on 1 July 2020**. This replaces the previously announced increase planned for 1 January 2021.

The threshold increase will be reflected in Revenue Online when it comes into effect in July.

The initial threshold increase to \$950,000 that came into effect on 1 January 2020 is already reflected in Revenue Online for employers lodging monthly and quarterly returns. Employers who cancel their registration as a result of the increase will need to wait until the annual reconciliation function is available in August 2020 for adjustments to be made to their tax liability.

Defer payment of returns

Small and medium businesses affected by the coronavirus (COVID-19) can apply to extend the time to pay their 2019-20 payroll tax until 21 July 2020.

An application to defer monthly and quarterly payments will be considered if:

- ★ you are an employer (or part of a group of employers) that pays \$7.5 million or less in Australian taxable wages and
- ★ compared with normal operating conditions, your current turnover, profit, customers, bookings, retail sales, supply contracts or other factors have been directly or indirectly affected by COVID-19.

The Commissioner will make a decision to extend the time for payment in accordance with section 47 of the Taxation Administration Act 2003 (Arrangements for instalments and extensions of time) and may impose conditions on the arrangement.

How to apply

Complete the [Payroll Tax Deferral Application Form](#) and submit it via a web enquiry.

If your application is approved:

- ★ your payments will be deferred from the March return (due 7 April 2020) or the first return period after that date in which you are affected and
- ★ you may continue to lodge returns in Revenue Online without making payment and
- ★ for all deferred months, your returns must be lodged and your liability paid by **21 July 2020**.

You can resume lodging your returns and paying any tax assessed at any time if your business is no longer affected by COVID-19.

An approved extension of time to comply with your 2019-20 payroll obligations does not affect your obligations to lodge and pay your 2020-21 payroll tax returns.

Grant payment

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

For a group of employers, a single grant will be payable to the designated group employer.

You do not need to apply for the grant.

Grants will automatically be paid by cheque from July but there will be delays for taxpayers whose tax status changed in 2018-19 or who became liable for payroll tax during the 2018-19 or 2019-20 assessment year. Eligible taxpayers should log in to [Revenue Online](#) to ensure their postal address is correct.



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