

Revenue Ruling

Payroll Tax Act 2009

PTASA002[V3]

SMALL BUSINESS PAYROLL TAX REBATE

Preamble

The Government has announced that the South Australian Small Business Payroll Tax Rebate, introduced in the 2013-14 State Budget, will be extended for an additional four years to 2019-20, as part of the 2016-17 State Budget.

Ruling

The payroll tax rebate payment will continue to be provided to eligible employers with a taxable Australian payroll of less than or equal to \$1.2 million for an additional four years.

The rebate payment will be paid in the first half of each of the next four financial years (2016-17 to 2019-20), based on eligible employers' taxable payrolls in the respective prior year's annual reconciliation.

Employers will not be eligible for the rebate payment until finalisation (including payment of any underpayments made during the year) of their relevant annual payroll tax reconciliation process. Employers who are members of a group will not be able to have their rebate determined until their Designated Group Employer's annual payroll tax reconciliation has been finalised.

The rebate payment will be determined by applying a sliding scale of rates shown in the table opposite, based on eligible employers' relevant year's taxable payrolls respectively.

Once the rebate payments have been made, eligible employers with a taxable Australian payroll of up to \$1 million will have effectively only paid payroll tax at a level equivalent to 2.45 percentage points lower than the statutory rate of 4.95%.

Rebate payments will phase out for eligible employers with a taxable payroll of between \$1 million and \$1.2 million.

Who is Eligible for the Rebate?

Any employer with a taxable Australian payroll of less than or equal to \$1.2 million is eligible for the rebate payment, subject to the conditions outlined further in this Revenue Ruling. It should be noted that for the purposes of the rebate an eligible employer includes a single employer or an employer who is a member of a group for payroll tax purposes.

If a group's total Australian taxable wages are greater than \$1.2 million no group members will be entitled to the rebate.

Employers must be registered for payroll tax purposes as at 30 June of the relevant financial year. For example, an employer with a taxable Australian payroll of less than or equal to \$1.2 million in 2015-16 but who cancels their payroll tax registration before 30 June 2016 will not be entitled to a rebate payment in the 2016-17.

Employers who first register for payroll tax on or after 1 July 2020 will not be eligible for the rebate.

How will the Rebate be Determined?

The rebate payment for eligible employers who have taxable wages below \$1.2 million will be determined in accordance with the difference in rates shown in the table below.

Annual taxable payroll (\$)	Statutory tax rate (%)	Rebate rate (percentage points)
600 000 to 1 000 000	4.95	2.45
1 000 001 to 1 050 000	4.95	1.95
1 050 001 to 1 100 000	4.95	1.45
1 100 001 to 1 150 000	4.95	0.95
1 150 001 to 1 200 000	4.95	0.45
Above 1 200 000	4.95	-

* Rate payable on the value of wages above \$600 000.



How much is the Rebate?

The following table outlines the potential rebate payment that will be available to eligible employers.

Annual payroll (\$)	Payroll tax payable (\$)	Rebate payment (\$)
600 000	0	0
650 000	2 475	1 225
700 000	4 950	2 450
800 000	9 900	4 900
900 000	14 850	7 350
1 000 000	19 800	9 800
1 050 000	22 275	8 775
1 100 000	24 750	7 250
1 150 000	27 225	5 225
1 200 000	29 700	2 700
1 250 000	32 175	0

Conditions

Employers must be up-to-date with their previous financial year's payroll tax obligations and payments to receive the rebate.

Employers cannot deduct the rebate from their monthly return or annual reconciliation return payments.

When will the Rebate be received?

Eligible employers are not required to apply for the rebate outside of the annual reconciliation process.

For example, a rebate payable in 2016-17 will be calculated on the basis of employer's Australian taxable wages paid in 2015-16 and the rebate will be paid following finalisation of the 2015-16 annual reconciliation process.

Amended Rebates

Where a reassessment to any employer's annual reconciliation is required and that employer has already received a rebate payment in respect of that financial year, they will either be entitled to a further rebate payment or be required to repay any overpayment of the rebate.

Further Information

Further information can be obtained from RevenueSA.

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History

This Revenue Ruling is effective from 22 June 2016 and replaces:

Document	Issue Date
<u>PTASA002[V2]</u>	18 June 2015
<u>PTASA002</u>	6 June 2013

The Revenue Ruling been updated to reflect the extension of the South Australian Small Business Payroll Tax Rebate for the next four financial years.

Graeme Jackson
COMMISSIONER OF STATE TAXATION

22 June 2016