



# NSW State budget 2020-2021

17 November 2020

The New South Wales (NSW) Treasurer, The Hon. Dominic Perrottet MP, announced the following tax initiatives as part of the 2020 State Budget. [Budget papers \(https://www.budget.nsw.gov.au/\)](https://www.budget.nsw.gov.au/) are now available.

## Payroll tax

The *Payroll Tax Act 2007* will be amended to provide a temporary reduction of the payroll tax rate used to calculate the payroll tax imposed on taxable wages.

Under that Act, the current payroll tax rate is 5.45 per cent. The proposed amendment reduces the payroll tax rate to 4.85 per cent for the period on and from 1 July 2020 until the end of 30 June 2022 and clarifies that the reduced rate is to be applied for the purpose of determining the correct amount of payroll tax payable by an employer for the financial year commencing on 1 July 2020.

The payroll tax threshold will also increase from \$1 million to \$1.2 million from 1 July 2020 onward.

## Land tax

The Budget extends the land tax COVID-19 relief for landowners to 28 March 2021 in modified form. To be eligible for relief from 1 January 2021 to 28 March 2021:

the lease must be a retail lease;

the annual turnover of the tenant must be less than \$5 million;

the tenant needs to re-establish eligibility by demonstrating a 30 per cent decline in turnover (15 per cent for non-profits) for the December quarter 2020.

Your Feedback



This is only a policy proposal at this point in time. The present tax system remains in place.