

PAYROLL TAX — EXEMPTION THRESHOLD

5879. Ms M.J. Davies to the Treasurer:

I refer to changes to the pay-roll tax exemption threshold to come into effect from January 2020, and I ask:

- (a) What modelling has been done to determine the impact the stepped exemption threshold increase will have on state revenue;
- (b) What is the estimated number of businesses operating regionally or with a regional footprint that will attract pay-roll tax from 1 January 2020:
 - (i) How many of those businesses will be in tiers 2 and 3 on the payroll tax table respectively;
- (c) What is the estimated number of businesses operating regionally or with a regional footprint that will attract pay-roll tax from 1 January 2021:
 - (i) How many of those businesses will be in tiers 2 and 3 on the pay-roll tax table respectively;
- (d) What is the combined pay-roll tax revenue expected to be raised from businesses operating regionally or with a regional footprint in:
 - (i) 2018–19;
 - (ii) 2019–20;
 - (iii) 2020–21; and
 - (iv) 2021–22; and
- (e) For each of the years above how many businesses will be in tiers 1 and 2 of the pay-roll tax table respectively?

Mr B.S. Wyatt replied:

- (a) As published on page 7 of the 2019–20 Government Mid-year Financial Projections Statement, the estimated cost to revenue of increasing the payroll tax exemption threshold is \$169 million over the four years to 2022–23, with the following year-by-year impact.

2019–20	2020–21	2021–22	2022–23	Total
–\$14m	–\$50m	–\$52m	–\$53m	–\$169m

Details on how this revenue impact was modelled were provided in the Legislative Council on 5 December 2019 – see page 9915 of Hansard.

- (b)–(e) Information on the locations in which an employer operates and where its employees work from in Western Australia is not captured for payroll tax purposes. Therefore, it is not possible to use payroll tax data to provide an estimate of the number of payroll tax paying businesses that operate or have a presence in the regions in Western Australia.