

Payroll and Land Tax Thresholds



A Liberal Government is committed to addressing the tax burden on Western Australian businesses and households. Whether it is to free up funds for businesses to invest and expand by reducing payroll tax or to ease the pressure on the family budget, through land tax reform, the Liberals are committed to reducing tax.

Further payroll tax relief measures will build on the Liberals' 2008 election commitment to provide \$250 million in tax relief to small and medium enterprises (SMEs) and the 2013 commitment to increase the payroll tax threshold to \$850,000.

Changes to land tax are intended as the first steps on the way to broader reforms that will reduce inequities, including those caused by aggregation.

Fast Facts

Over the past two terms the Liberal-led Government has put in place a number of measures to support small business:



- In 2009-10 the Liberals brought in a \$140 million package that included:
 - workers' compensation premium rebates for first year apprentices and trainees to boost apprenticeship and trainee numbers;
 - a business resilience package;
 - and a \$100 million payroll tax rebate which focused on small and medium enterprises.
- A \$135 million payroll tax rebate package was part of the 2012-13 State Budget to reduce the tax burden on small businesses and advance employment opportunities for people with a disability and Aboriginal people.
- Increased the payroll tax threshold
 - from \$750,000 to \$800,000 in 2014-15
 - and to \$850,000 in 2016-17.

The implementation of this policy by the Liberals saw more than 16,000 employers save \$121 million.

- Land tax rates were frozen in 2016-17 ahead of changes intended to reduce the future financial impact on businesses and households.
- In 2016 17, around 81% (109,000) of land taxpayers are expected to receive a reduction (or no increase) in their land tax bills. However, the existing inequities need to be addressed and we remain committed to tackling the issue



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Our Commitment

A Liberal Government will:

- Provide further support for Western Australian businesses by raising the payroll tax threshold from the current \$850,000 to \$900,000 from 1 January 2018 at a cost of \$55.8 million over three years.

This is the second step by the Liberal Government in addressing the burden of payroll tax on small business and builds on the \$575 million in tax relief measures already provided by the Liberal-led Government since 2008.

This decision by the Liberals will see more than 400 employers become exempt from payroll tax all together and more than 11,000 employers see their payroll tax liability reduced.

The Liberal Government recognises the hard work and risks taken by business owners, and their crucial role in providing employment to Western Australians.

A Liberal Government is committed to creating jobs and will continue to implement policies that will expand the State's economy for the benefit of all Western Australians. The increase in the payroll tax threshold is an important measure to ensure Western Australia remains the most attractive State for business growth and investment.

- Lift the current Exemption Threshold for Land Tax from \$300,001 to \$360,000. This is expected to provide a benefit to some 20,000 taxpayers and will come into effect July 1st 2018.

While financial constraints limit the changes we can make right now, our intention is to make the land tax system fairer and more equitable.

This change is a small first step that demonstrates our commitment to easing the tax burden on West Australians.



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