

## **Question on Notice**

**No. 1932**

**Asked on 28 November 2019**

**MR T MANDER** ASKED DEPUTY PREMIER, TREASURER AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON J TRAD)—

### **QUESTION:**

Will the Treasurer provide the amount of payroll tax collected by industry and by local government area (separately) for 2016-17 to 2018-19 (reported separately by year)?

### **ANSWER:**

The Palaszczuk Government is backing more jobs in more industries by committing \$885 million over four years in payroll tax measures to support small and medium-sized businesses as they grow, drive employment and boost the Queensland economy.

On 1 July 2019, the Government increased the payroll tax threshold from \$1.1 million to \$1.3 million. As a result, around 1,500 fewer employers will be liable for payroll tax. This will put \$77 million back in the hands of Queensland's small- and medium-sized businesses in 2019-20, and \$335 million over the four-year Budget period.

Queensland's payroll tax rate continues to compare favourably to the other large states, with the \$1.3 million threshold being twice that of Victoria's in 2019-20. This means a business in Queensland can employ twice as many people – and operate at twice the size of a business in Victoria – before paying a single dollar in payroll tax.

Regional businesses will also benefit from a discount to the headline payroll tax rate where they have an ABN-registered business address and at least 85 per cent of their wages paid to employees located outside South-East Queensland.

For the four financial years ending 30 June 2023, eligible regional employers with Australian annual taxable wages up to \$6.5 million will pay a reduced payroll tax rate of 3.75 per cent, demonstrating the Palaszczuk Government's continued determination to create jobs in regional communities.

The combined threshold increase and regional discount will mean an estimated 13,000 Queensland businesses will pay less tax under the Palaszczuk Government.

The LNP promised to raise the payroll tax threshold above \$1.1 million during its time in office, but rather than delivering, the LNP denied payroll tax relief to Queensland businesses in successive state Budgets, before being voted out in 2015.

Payroll tax collections for the financial years 2016-17 to 2018-19 do not reflect the Palaszczuk Government's payroll tax relief package announced in this year's Budget.

The figures in the table below are based on payroll tax annual and final return data as at 3 December 2019. Payroll tax has been categorised into ANZSIC industry codes based on the industry reported by taxpayers to the Office of State Revenue.

To preserve the anonymity of taxpayer information, the Office of State Revenue cannot disclose payroll tax data at the Local Government Area level.

| <b>Table 1: Queensland payroll tax by industry (\$million)<sup>1</sup></b>  |                |                |                |
|---|----------------|----------------|----------------|
| <b>Industry<sup>2</sup></b>   | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> |
| Accommodation and Food Services   | 134            | 144            | 153            |
| Administrative and Support Services   | 230            | 247            | 264            |
| Agriculture, Forestry and Fishing   | 61             | 65             | 68             |
| Arts and Recreation Services  | 46             | 50             | 54             |
| Construction  | 316            | 343            | 348            |
| Education and Training  | 181            | 185            | 194            |
| Electricity, Gas, Water and Waste Services  | 81             | 86             | 111            |
| Financial and Insurance Services  | 229            | 242            | 246            |
| Health Care and Social Assistance   | 159            | 172            | 189            |
| Information Media and Telecommunications  | 105            | 105            | 108            |
| Manufacturing   | 430            | 451            | 463            |
| Mining  | 317            | 346            | 379            |
| Other Services  | 136            | 157            | 169            |
| Professional, Scientific and Technical Services   | 287            | 308            | 321            |
| Public Administration and Safety  | 69             | 72             | 74             |
| Rental Hiring and Real Estate Services  | 79             | 86             | 89             |
| Retail Trade  | 325            | 340            | 358            |
| Transport, Postal and Warehousing   | 310            | 322            | 338            |
| Wholesale Trade   | 218            | 232            | 238            |
| Not Assigned Industry Code <sup>3</sup>   | 4              | 5              | 5              |
| <b>Total<sup>4</sup></b>  | <b>3,716</b>   | <b>3,958</b>   | <b>4,168</b>   |
| Notes:  |                |                |                |
| 1. Figures are based on payroll tax annual and final return data extracted on 3 December 2019. Payroll tax is subject to change.  |                |                |                |
| 2. Figures are based on the ANZSIC industry code reported to OSR by the taxpayer.   |                |                |                |
| 3. Payroll taxpayers who do not have valid industry code information recorded in the OSR revenue management system are grouped under 'Not Assigned Industry Code' category. |                |                |                |
| 4. Figures may not add due to rounding.   |                |                |                |