

23 April 2018

The Hon Dominic Perrottet MP  
Treasurer  
GPO Box 5341  
SYDNEY NSW 2001

Dear Treasurer

### Payroll Tax

I write on behalf of small business operators in the Sydney electorate who have contacted me about the threshold for Payroll Tax.

Those who have contacted me are concerned that the current threshold for Payroll Tax is a disincentive for employing staff and creating jobs, particularly for small businesses. They say that this tax is complex to administer and a significant impost on small business operators who must bear significant range of administrative and financial responsibilities as well as manage and operate their business.

I understand that the current tax rate is 5.45 per cent, with a threshold of \$750,000. Those who have contacted me seek to have the threshold raised to \$1 million. They report that the ACT recently increased its payroll tax threshold to \$2 million, Queensland to \$1.1 million and South Australia has committed to a threshold of \$1.5 million.

An increase in the payroll tax threshold would have a significant impact across NSW, with financial and practical benefit to small businesses in the Sydney electorate.

I share community concern that Payroll Tax can act as a disincentive to employment and to the establishment and growth of small businesses.

***Could you please consider streamlining Payroll Tax administration and increasing the threshold to \$1 million, and inform me what action you will take?***

Yours sincerely



Alex Greenwich  
Member for Sydney

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