



Dominic Perrottet
Treasurer
Minister for Industrial Relations

MEDIA RELEASE

Tuesday, 7 August 2018

BUSINESSES BENEFIT FROM TAX CUTS

NSW businesses will start receiving a healthy boost to their bottom line this week as the first payroll tax cuts announced in the 2018-19 State Budget take effect.

Up to 40,000 businesses are set to benefit from the increase to the tax threshold from \$750,000 to \$850,000 when they make their first payments.

Business owners will save up to \$5,450 each in 2018-2019 and up to \$13,625 per business in 2021-22.

Around 2,000 businesses will also fall out of the tax net in 2018-19.

This is forecast to increase to around 3,000 in 2019-20; 4,000 in 2020-21; and over 5,000 businesses when the threshold rises to \$1 million in 2021-22.

The secondary benefit is the reduction in compliance costs for businesses.

Treasurer Dominic Perrottet said the tax cuts are forecast to put \$881 million back in the pockets of business owners over the next four years.

"This change in the threshold will keep money in the pocket of small businesses and allow them to grow and boost the economy," Mr Perrottet said.

"For those with a payroll over \$1 million the tax cuts will result in savings of more than \$120,000 across the next ten years."

"Contrast our tax cuts with Labor, who are against asset recycling but have no plan on how to fund their promises, they will have to put the bite on business."

Minister for Small Business John Barilaro said raising the threshold would ease the financial pressure on businesses.

"The lifting of the payroll tax threshold will not only save business owners money, it will save them time and give them the opportunity to take on that extra staff member, or pursue new ideas to grow their business," Mr Barilaro said.

MEDIA: Trevor Seymour | Treasurer | 0427 253 927