

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Ms Boothby to the Treasurer:

Payroll Tax on Territory Small Business

Payroll Tax (PRT) thresholds have not increased in over a decade, despite wages increasing. The impact on Territory Small Business is significant.

Questions:

- 1. How much PRT has been received from NT small businesses that have less than 20 staff?**

Most Territory small businesses do not have any payroll tax liability.

The Territory's payroll threshold is the second highest in Australia and an exemption was introduced in 2018 to encourage the employment of additional Territory residents.

Since 2018-19, the Territory's payroll tax collections have been less than the state average as assessed by the Commonwealth Grants Commission.

- 2. How many small businesses paid PRT in the years 2017-2018 and 2018-2019?**

There were 130 Territory small businesses with less than 20 employees that paid payroll tax in 2017-18 and 129 in 2018-19.

- 3. How much PRT revenue was collected from small businesses during these periods?**

Territory small businesses with less than 20 employees paid payroll tax of \$2.68 million in 2017-18 and \$2.96 million in 2018-19 – compared to more than \$200 million each year for larger employers.

- 4. Are there any plans to review PRT thresholds to ease the tax burden on Territory small businesses?**

The Territory's tax competitiveness is reviewed regularly. Most Territory small businesses do not have a payroll tax liability. The Territory's payroll threshold is the second highest in Australia.

a) If yes, when will this occur? See above.

b) If no, why not? See above.