



2001-02 BUDGET PAYROLL TAX
5 JUNE 2001

Member for Flinders Liz Penfold said tax relief for businesses will boost job creation.

Almost \$25 million in payroll tax will be cut and the tax-free threshold increased as a major plank in the Olsen Government's Jobs Package.

The cuts to payroll tax will reduce costs to a company with 30 employees by \$1985 a year.

As part of the jobs package:

- The payroll tax rate will fall from 6% to 5.75% on 1 July 2001, saving business \$24.5 million.
- From 1 July 2002 payroll tax will reduce further to 5.67%.
- The tax-free threshold will be increased from \$456,000 to \$504,000
- The payroll tax base will be broadened to include full grossed up value of fringe benefits and eligible termination payments.
- Annual lease payments below \$50,000 will be exempt from stamp duty from 1 January 2002.

Mrs Penfold said the Liberal Government's focus has been on creating an environment which gives business the confidence to employ.

"It is largely the private sector – small, medium and large businesses – which ultimately delivers jobs for the majority of the community.

"The business community, in its Budget submission to Government, urged a reduction in business costs, and we have delivered," she said.

Mrs Penfold said the Government earlier this year cut WorkCover levy rates for 2001-2002 by 14%, a benefit to employers of \$103 million.