



STANDING COMMITTEE ON PUBLIC ACCOUNTS

ALISTAIR COE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), ANDREW BRADDOCK MLA

Estimates 2020-2021

ANSWER TO QUESTION TAKEN ON NOTICE

24 February 2021

Asked by ALISTAIR COE MLA:

In relation to:

Mr Coe: What I am getting at is under the payroll tax arrangements, the percentage of the threshold that corporates receive is dependent upon their portion of their workforce in the ACT. Is that correct? (Chief Minister said yes).

Mr Coe: So for instance, given there is a \$2 million threshold here, if a corporate has five per cent of their workforce—of their total payroll in the ACT, they would only get \$100,000 of tax free benefit. Is that correct? (QTON)

Mr Coe: In terms of the number of corporates that have a low percentage of their workforce in the ACT is that able to easily be quantified. Do you have that sort of, that sort of data or is it not possible to consolidate like that? (QTON)

Mr Salisbury: I think we may be able to put that type of information together but I don't think we have attempted to do that previously but we potentially do have some information that we may be able to respond to that question.

Mr Coe: So in terms of the total payroll revenue, payroll tax revenue that the ACT is receiving, are you able to advise what portion is coming from companies that are almost exclusively ACT based as opposed to companies that are national companies that have a relatively small portion of their staff in the ACT? (QTON)

Mr Salisbury: I think we would be able to put some information together that provides an answer to that question but I certainly, we have not done that work to present that.

Mr Coe: So, for instance, is it possible that there are maybe 10 or 10 companies that are paying 50 per cent of our total payroll tax revenue? (QTON)

Mr Salisbury: Again, we would be able to put some high-level data like that together.



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Mr Coe: I am particularly interested to better understand what sort of benefits would be realised by ACT companies or, you know, predominantly ACT companies if the threshold were to increase, you know, by \$500,000 or a million dollars and whether that would actually have a huge impact on the total revenue that the ACT government is currently receiving.

ANDREW BARR MLA: The answer to the Member's question is as follows:—

The proportion of the ACT payroll tax threshold a taxpayer can claim is the proportion of ACT wages to Australia wide wages. For example, a taxpayer which pays 50 per cent of its Australia wide wages to ACT staff could claim 50 per cent of the payroll tax threshold (i.e. \$1 million).

Information on the number of businesses claiming varying levels of the payroll tax free threshold, for 2019-20, is shown in the table below. This provides an indication of the number of taxpayers with a predominantly ACT based workforce.

Percentage of threshold claimed	No. of Taxpayers
Up to 10 per cent	1207
10 to 20 per cent	119
20 to 30 per cent	76
30 to 40 per cent	40
40 to 50 per cent	33
50 to 60 per cent	28
60 to 70 per cent	30
78 to 80 per cent	35
80 to 90 per cent	42
90 to 100 per cent	88
100 per cent	176



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The proportion of payroll tax revenue paid in 2019-20 by the largest 100 payroll tax paying entities is shown in the table below.

Number of entities, ranked by size of payroll tax liabilities	Proportion of 2019-20 payroll tax revenue (per cent)
10 largest	22
20 largest	31
30 largest	37
40 largest	42
50 largest	46
60 largest	49
70 largest	51
80 largest	54
90 largest	56
100 largest	57

Approved for circulation to the Standing Committee on Public Accounts

Signature:

Date: 12.3.21

By the Treasurer, Andrew Barr MLA