

Fixing our Payroll Tax System

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Backing small business by fixing the broken tax system.

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A new Liberal Government will lift the payroll tax threshold from \$1.5 million - \$2.1 million, providing relief to thousands of businesses.

We will also exempt apprentices and trainees from payroll tax, and reverse Labor's GP payroll 'tax grab'.

South Australia's payroll tax threshold has remained unchanged since 2019, despite significant annual wage growth.

This has led to many businesses incurring payroll tax for the first time, even though many haven't increased their workforce as "wage bracket creep" has tipped them over the threshold.

Businesses have resisted growth and continued to monitor wages to keep it under the \$1.5 million threshold, as the costs of business escalate quickly with every additional employee.

This system is inefficient and disincentivises growth and hiring more employees.

We will lift the payroll tax threshold to \$2.1 million and ensure it works in the interest of businesses.

We want to incentivise businesses to grow and hire more people, which is why we are the only Party that can be trusted to reform payroll tax.

The Labor Government rakes in billions of payroll tax each year – the Liberals will not treat businesses as a cash cow like the Labor Party.

This is part of our plan for a more affordable South Australia.