



**Hon. Andrew Fraser MP**  
Member for Mount Coot-tha



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Treasurer

**3 June 2008**

### **Fraser introduces further payroll tax reform**

Treasurer Andrew Fraser has introduced new reforms to provide further payroll tax relief as part of the 2008-09 State Budget.

Mr Fraser said while Queensland already boasts the lowest rate in the country at 4.75 per cent, this reform goes even further to reduce the strain on businesses.

"Queensland currently has a payroll tax threshold of \$1 million, the highest of any mainland state," Mr Fraser said.

"This Budget further improves the competitiveness of Queensland's payroll tax regime by extending the \$1 million deduction, such that it phases out at a rate of \$1 in every \$4 of taxable wages above the threshold, rather than \$1 in every \$3.

"This change will benefit SMEs, in particular those businesses with taxable wages between \$1 million and \$5 million.

"This reform will encourage further investment and development and provide a further competitive advantage to Queensland businesses."

Treasury estimates suggest that 40 % of payroll tax payers (6,800 businesses) will benefit from this change. The change will cost the Government \$20 million in 2008-09.

"Other payroll tax initiatives recently introduced by the State Government includes a similar rise in the payroll tax threshold in the 2006-07 State Budget, and the introduction of legislation to harmonise our payroll tax laws with NSW and Victoria at the start of the 2008-09 financial year.

"Harmonisation will reduce compliance costs for the 7,000 Queensland businesses operating across jurisdictions.

"This is responsible economic management from a forward-looking Government."

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