



Victor Dominello MP
Minister for Finance, Services and Property

Our reference: MIN18/X
Your reference: D18/09990

Michael Johnsen MP
Chair
Legislative Assembly Committee on Investment,
Industry and Regional Development
Parliament of NSW

investmentindustry@parliament.nsw.gov.au

Dear Mr Johnsen *Michael*

I refer to your letter of 10 April 2018, seeking information in relation to payroll tax and stamp duty collected in regional areas of NSW.

Information addressing your questions is attached.

If you have any further queries or would like more information, please contact [REDACTED]

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Victor Dominello', written over the words 'Yours sincerely'.

The Hon Victor Dominello MP
Minister for Finance, Services and Property

Date: *10-5-18*

Encl. Information on payroll tax and stamp duty collected in regional NSW

LEGISLATIVE ASSEMBLY COMMITTEE ON INVESTMENT, INDUSTRY AND REGIONAL DEVELOPMENT

INQUIRY INTO ZONAL TAXATION

1. For each of the last two financial years, how many regional businesses have been liable for payroll tax in NSW?
2. For each of the last two financial years, how many businesses have been liable for payroll tax in total in NSW?
3. For each of the last two financial years, how many regional businesses in each of the following payroll brackets have paid payroll tax:
 - 0 up to \$750,001
 - \$750,001 up to \$1,000,000
 - \$1,000,001 up to \$1,500,000
 - \$1,500,001 up to \$2,000,000
 - \$2,000,001 up to \$5,000,000
 - Over \$5,000,000

Payroll Tax	2015/16				2016/17			
	Registered Clients	Registered Clients (%)	Assessments Issued (\$M)	Assessments Issued (%)	Registered Clients	Registered Clients (%)	Assessments Issued (\$M)	Assessments Issued (%)
Metro	31,981	61.7%	6,412.9	71.5%	31,260	61.5%	6,642.5	71.2%
\$0-\$750,000	30,841	59.5%	1,901.1	21.2%	30,048	59.2%	1,969.8	21.1%
\$750,001-\$1,000,000	299	0.6%	259.3	2.9%	342	0.7%	295.5	3.2%
\$1,000,001-\$1,500,000	283	0.5%	349.3	3.9%	286	0.6%	349.7	3.8%
\$1,500,001-\$2,000,000	134	0.3%	232.1	2.6%	144	0.3%	247.7	2.7%
\$2,000,001-\$5,000,000	266	0.5%	820.7	9.2%	282	0.6%	873.6	9.4%
Over \$5,000,001	158	0.3%	2,850.3	31.8%	158	0.3%	2,906.2	31.2%
Regional	9,071	17.5%	726.9	8.1%	8,741	17.2%	759.9	8.1%
\$0-\$750,000	8,940	17.3%	362.9	4.0%	8,606	16.9%	390.5	4.2%
\$750,001-\$1,000,000	33	0.1%	28.7	0.3%	36	0.1%	31.7	0.3%
\$1,000,001-\$1,500,000	25	0.0%	29.4	0.3%	24	0.0%	28.1	0.3%
\$1,500,001-\$2,000,000	21	0.0%	37.4	0.4%	18	0.0%	31.6	0.3%
\$2,000,001-\$5,000,000	40	0.1%	116.5	1.3%	46	0.1%	135.5	1.5%
Over \$5,000,001	12	0.0%	152.0	1.7%	11	0.0%	142.5	1.5%
Other	10,758	20.8%	1,828.8	20.4%	10,793	21.2%	1,921.8	20.6%
\$0-\$750,000	10,398	20.1%	525.5	5.9%	10,428	20.5%	558.9	6.0%
\$750,001-\$1,000,000	97	0.2%	83.3	0.9%	73	0.1%	63.0	0.7%
\$1,000,001-\$1,500,000	80	0.2%	97.6	1.1%	99	0.2%	120.5	1.3%
\$1,500,001-\$2,000,000	47	0.1%	83.4	0.9%	49	0.1%	84.3	0.9%
\$2,000,001-\$5,000,000	95	0.2%	280.0	3.1%	100	0.2%	301.5	3.2%
Over \$5,000,001	41	0.1%	759.0	8.5%	44	0.1%	793.7	8.5%
Grand Total	51,810	100.0%	8,968.5	100.0%	50,794	100.0%	9,324.2	100.0%

Notes:

1. Report prepared on 20/04/2018 using current data from OSR operational databases.
2. Report includes values from current Payroll Tax assessments. Data may change retrospectively as assessments are created or modified.
3. *Metropolitan* is the Sydney statistical division (as defined by the ABS). *Regional and Rural* is the remainder of NSW (including Wollongong and Newcastle). *Other* refers to addresses outside NSW or which cannot be matched to a relevant ABS statistical division.

4. Allocation of assessments by area are based on the registered address of the company, not necessarily the location of the employees. It is not possible to determine the location of individual employees. The liabilities are based on the total amount payroll paid by a company

4. What would be the likely implications to NSW tax revenue of the following possible changes to payroll tax in regional areas outside of the Sydney Metropolitan area:
- a payroll tax rate of 5.45% and an increase in the payroll tax threshold for regional businesses to various levels.
 - a regional payroll tax rate of 3.65% and an increase in the payroll tax threshold for regional businesses to various levels.

The question is more appropriately directed to the Treasurer.

- For each of the last two financial years, how much stamp duty has been collected from commercial property transactions in regional NSW?
- For each of the last two financial years, how many transactions have occurred involving commercial property in regional NSW?
- For each of the last two financial years, how much stamp duty has been collected from commercial property transactions in NSW in total?
- For each of the last two financial years, how many transactions have occurred involving commercial property in NSW in total?

Stamp Duty	2015/16				2016/17			
	Transactions	Transactions (%)	Duty Assessed (\$M)	Duty Assessed (%)	Transactions	Transactions (%)	Duty Assessed (\$M)	Duty Assessed (%)
Metro	8,788	45.0%	1,230.2	61.3%	6,811	46.6%	2,078.5	84.7%
Regional	10,635	54.5%	735.4	36.6%	7,713	52.8%	339.8	13.8%
Unknown	102	0.5%	41.0	2.0%	94	0.6%	36.4	1.5%
Grand Total	19,525	100.0%	2,006.5	100.0%	14,618	100.0%	2,454.7	100.0%

Notes:

- Report prepared on 20/04/2018 using current data from OSR operational databases.
- Report includes values from current Stamp Duty assessments for the sale of real property categorised as non-residential. Data may change retrospectively as assessments are created or modified.
- Any purchase of residential land by foreign persons from 21/06/2016 is subject to a duty surcharge on the value of the purchase.
- Metropolitan* is the Sydney statistical division (as defined by the ABS). *Regional and Rural* is the remainder of NSW (including Wollongong and Newcastle). *Other* refers to addresses outside NSW or which cannot be matched to a relevant ABS statistical division.

9. What would be the likely implications to NSW tax revenue of an exemption from stamp duty for the purchase of commercial property in regional areas by businesses relocating to regional NSW from Sydney?

The question is more appropriately directed to the Treasurer.

10. How much payroll tax does the Government collect from regional electricity suppliers?

