

## Payroll Tax 2021 Update

### 3. Deferring 2020-21 payroll tax liability for eligible employers until the 2021-22 financial year

Employers with Victorian payrolls up to \$10 million, based on their 2019-20 financial year annual reconciliation returns, can defer their 2020-21 payroll tax liability until the 2021-22 financial year.

This means they can pay their 2020-21 payroll tax liability as determined in their 2020-21 annual reconciliation return in four quarterly instalments in the 2021-22 financial year:

- At least 25% of the 2020-21 liability will be due on 7 September 2021.
- At least 50% of the 2020-21 liability will be due on 7 December 2021.
- At least 75% of the 2020-21 liability will be due on 7 March 2022.
- Any outstanding balance of the 2020-21 liability will be due on 7 June 2022.

This deferral relief applies to each employer. This means membership of a payroll tax group is not considered in determining whether or not the member's Victorian taxable wages for the 2019-20 financial year exceeded the \$10 million threshold.

To be eligible for this deferral measure, an employer must lodge their annual reconciliation return for the 2020-21 financial year by no later than 27 August 2021.

Therefore, unless an employer lodges their annual reconciliation by 27 August 2021, they will not be eligible for the tax deferral and any tax owing will need to be paid immediately.