

Hawker Britton

SA Government to implement key Budget measures and withdraw Major Bank Levy

November 2017

On Thursday 16 November 2017 the South Australian Treasurer Tom Koutsantonis announced the Weatherill Government's intention to prosecute key Budget revenue measures including payroll tax relief for businesses and an increase in the Foreign Investor Surcharge. A new Bill was passed by the House of Assembly on 16 November 2017 to implement the Surcharge.

The Treasurer has asked the Commissioner of State Taxation to determine a path forward to deliver the tax cuts for businesses with payrolls between \$600,000-\$1.5m. This change will deliver relief to small business equivalent to that proposed in the blocked Budget Measures Bill.

The tax increase on foreign buyers will increase from the original 4 per cent, to a 7 per cent Surcharge. The increase in the Surcharge will raise an extra \$36.6 million over four years, bringing the total to \$85.4 million over four years.

Both the Surcharge and the payroll tax cuts were originally contained in the Budget Measures Bill, which was withdrawn from the Legislative Council on 15 November 2017 after facing obstruction by the Liberal Opposition and crossbenchers. Both measures will now be implemented individually.

The Budget Measures Bill also included the Major Bank Levy. The Weatherill Government will not take the Levy to March 2018 Election, nor will it prosecute the Levy post-Election.

The Weatherill Government committed to delivering the stamp duty concessions and housing construction grants for off-the-plan apartments originally contained in Budget Measures Bill.

Measures contained in the Budget Measures Bill included:

- Payroll tax cuts of almost \$10,000 for eligible small businesses;
- Stamp duty concessions of up to \$15,500 for purchasers of off-the-plan apartments;
- Pre-construction grants of \$10,000 for purchasers of off-the-plan apartments;
- Five-year land tax exemption for investors purchasing off-the-plan apartments;
- 4 per cent stamp duty surcharge for foreign buyers of residential property, which will now be increased to 7 per cent.

Hawker Britton's Occasional Paper on the 2017-18 South Australian budget is available [here](#).

Further information

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