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24 February 2021

[REDACTED]

Mr Rocky Bruzzano
Chief Financial Officer
Exponet Pty Ltd
P O Box 120
SYDNEY MARKETS
NSW 2129

Dear Mr Bruzzano

**Request for COVID 19 Payroll Tax Relief
Exponet Pty Ltd (Exponet)**

I refer to your letter dated 25 January 2021 requesting the Commissioner of the State Revenue (the **Commissioner**) to consider granting the COVID 19 payroll tax Relief to Exponet.

In the letter, you advised that 'due to show cancelling in February 2020 and the outlook was very uncertain Exponet paid out leave to staff, the leave paid out is the reason why Exponet payroll up to 28 February 2020 exceeded the cap of \$3 million dollars'.

Under the *Payroll Tax Act 2007*, leave payments are taxable wages for payroll tax purposes, they cannot be excluded for the consideration of the threshold for the COVID 19 payroll tax relief. Further I note that the total Victorian taxable wages reported by Exponet for the financial year ended 30 June 2020 amounted to \$4.45 million.

The Victorian Government is aware of the financial difficulties that businesses encounter during the COVID-19 pandemic, hence, has introduced the COVID-19 payroll tax relief in the form of a refund of payroll tax paid for 2019-2020 financial year to eligible businesses. However, in order to have a consistent treatment for all businesses, the threshold has been set at \$3 million. There is no further condition imposed or variation allowed.

Although the State Revenue Office (**SRO**) sympathies with the situation your company is in, it does not have the discretion to act outside the parameter set by the Government. The SRO has to administer the relief consistently to all taxpayers according to their factual circumstances. I regret to advise that Exponet is not eligible for the COVID-19 payroll tax relief as its total wages for payroll tax purposes was above the threshold.

If you have any queries, please contact me on [REDACTED] or alternatively by email.

Yours sincerely

[REDACTED]

Pauline Chan
Revenue Specialist
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