



Newsletter March 2020

In light of the current evolving COVID-19 situation, we have decided bring forward our normal Budget time newsletter to explain some of the assistance available to assist small business through this next trading period and beyond. To assist you with planning around the possible impacts on your business, we have provided you with the CPA Planning tool that we found very useful within our own business. In line with Government suggestions to minimize non-essential gatherings, we have decided to suspend our program of seminars until further notice. Our office will remain open throughout this period and we can handle queries and continue our ATO commitments. Our staff have systems in place to work from home if contagion becomes an issue. Some of the detail contained in the stimulus package recently announced by the Government is detailed below but please note that employers will still need to meet ongoing super guarantee obligations for employees. Unlike the bushfire relief measures which applied automatically to particular geographic areas, lodgment & deferred measures for those impacted by COVID-19 will not be automatically implemented. Contact Joedy or David for any support required and in the meantime, stay safe.

ATO Support measures

Relief options are being put in place by the ATO but are being assessed on a case by case basis and will be tailored for needs and circumstances. These may include deferral of payments by up to four months and extend to BAS and PAYG installments, income tax assessments, FBT and excise, provide quicker access to GST refunds and options to enter low interest payment plans for existing or future tax debts. Flexibility for quarterly reporting cycle to opt into monthly GST reporting in order to get quicker access to GST refunds. Businesses can vary PAYG amounts to zero for the March 2020 quarter. Remittance of interest and penalties incurred after 23 January 2020 which have been applied to tax liabilities may also be considered. The ATO is working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans.

Cash Flow Boost for Employers

If you employ individuals and have an aggregated annual turnover of under \$50 million (based on prior year turnover) you will receive a payment of \$2,000-\$25,000. Eligible businesses will receive a payment equal to 50% of taxes withheld from employees' salary and wages up to \$25,000. This will reduce the amount payable and possibly create a refund. Payments are tax free. Contact David with any queries.

Instant asset write off increasing

A proposal to increase the threshold for the instant asset write off from \$30,000 to \$150,000 and expand access to businesses with an aggregated annual turnover of up to \$500 million (up from \$50 million). The increase will only be available from 12 March to 30 June 2020 for new or second hand assets first used or installed ready for use by 30 June this year. The most common item here is motor vehicles with a high business use.

Accelerated depreciation

The accelerated depreciation deduction is for eligible assets acquired from 12 March and ready for use by 30 June 2021. Each tax payer will receive a 50% deduction of the cost of the installed asset. This is in addition to existing depreciation rules applying to the balance. It does not apply to second hand plant & equipment assets or buildings.

Apprentice and trainee wage subsidy

Employers can obtain a wage subsidy of 50% of an apprentice's or trainee's wage from 1 January - 30 September 2020 capped at \$7,000 per quarter for each eligible apprentice or trainee. Businesses with less than 20 full time staff will be eligible although employers of any size and group training organizations that re-engage an eligible out of trade apprentice or trainee will continue to be eligible for the subsidy. You need to register with the Department of Education, Skills & Employment.

Direct payment to individuals

A one off payment of \$750 to around 6.5 million social security, veterans and other income support recipients and eligible concession card holders residing in Australia.

Superannuation Guarantee Amnesty

Law passed by the Senate on 24 February 2020 gives effect to the above amnesty for employers for a period of six months from 6 March 2020 to voluntarily disclose any historical shortfalls to the ATO and be entitled to generous concessions. This amnesty period starts in July 1992 and ends in March 2018. Should employers fail to disclose shortfalls during this period, hefty penalties will be issued should they be discovered by the ATO and fines of up to 200% will be imposed at the Commissioner's discretion. All payments (including penalties) are non-deductible for income tax purposes.

There is no mention of grouping rules of these thresholds though we expect they will apply. At this time all of these announcements are merely that and we will need to see what legislation is passed by Parliament before we can have any certainty in respect of this stimulus. We expect further tax and other stimulus opportunities to be announced in the coming weeks and months.

Our energetic, knowledgeable and caring approach gives peace of mind.
If you need further information or to discuss your specific circumstances, please call David at our office.

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