

# What does the Govt's Economic Stimulus Package mean for your business?



Two asset-related incentives are available NOW and to ALL businesses with an annual turnover of less than \$500 million.

## *Instant asset write-off increased from \$30k to \$150k*

1. Applies to eligible assets "first used or installed ready for use" between 12 March 2020 until 30 June 2020 with a purchase price up to \$150k
2. Eligible assets can be **New or Used** (Private Sale accepted)
3. The \$150k limit applies per asset, and there is no limit to the number of assets purchased
4. \$150k Low Doc Approvals available on eligible assets

## GET IN QUICK TO TAKE ADVANTAGE OF THIS INITIATIVE

### *Backing Business Investment (BBI)*

1. 50% Instant Depreciation Write-Off on eligible assets over \$150k
2. Eligible assets must be NEW only (vehicles, plant and equipment)
3. There is no limit to the number of assets purchased
4. Replacement policy available on numerous assets
5. This initiative is available for 15 months only – until 30 June 2021
6. This extended initiative will also be applicable to assets of \$150k or less for an extra year once the \$150k Instant Asset Write Off has expired on 30 June 2020.

### **Please note:**

Contact your taxation professional/accountant to see if the above is applicable to your business.

To find out more go to the Government fact sheet link below

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Support\\_for\\_business\\_investment.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Support_for_business_investment.pdf)



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# Australian Taxation Office (ATO) - Cash flow measures

The ATO will administer a series of relief options for businesses financially impacted by COVID-19. Eligibility is not automatic. Businesses will need to liaise with the ATO to discuss their circumstances.

- Deferring payments by up to four months of amounts due through the business activity statement (including PAYG instalments), income tax assessments, fringe benefits tax assessments and excise. Businesses will need to liaise with the ATO to agree a plan for deferrals and the remission of any penalties and interest that would otherwise apply.
- Remission of any interest and penalties, incurred on or after 23 January 2020 that have been applied to tax liabilities may be available.
- Varying your PAYG instalment rate up to zero for the March 2020 quarter for an immediate cash injection.
- For those businesses who elect to vary instalment rates you may also claim a refund for PAYG instalments for September 2019 and December 2019 quarters.
- Cash flow boosts between \$2,000 & \$25k are available to employers with an aggregated turnover of less than \$50m. Check your eligibility with the ATO.
- Allowing business to enter into low interest payment plans in relation to existing and ongoing tax liabilities.
- Allowing businesses on a quarterly reporting cycle to switch to monthly GST reporting to gain quicker access to GST refunds they may be entitled to.

## **Existing Fringe Benefit Tax measures**

- Expenses paid on behalf of employees in relation to emergency assistance (including food, accommodation and travel) or equipment to assist in working from home may not be subject to FBT.

## State Government announcements

### **Queensland**

The Queensland Government has announced the following measures for the businesses "affected" by COVID-19:

- Automatic eligibility for a payroll relief package to defer paying payroll tax liabilities until 3 August 2020. This is to apply from February 2020 payroll tax return to June 2020 payroll tax return.
- Providing up to \$500m as a concessional loan facility to affected businesses which would comprise loans of up to \$250k with an initial 12-month interest free period for businesses to retain staff.
- Further information will be released on [www.qrida.qld.gov.au](http://www.qrida.qld.gov.au), as it is available.

### **New South Wales**

- Waiving payroll tax for businesses with payrolls of up to \$10m for three months (the remainder of the 2019-20 financial year).
- Bringing forward the next round of payroll tax cuts by raising the threshold limit to \$1 million in the 2020-21 financial year (previous threshold \$900k).

### **Tasmania**

- Waiver of payroll tax for the last four months of this financial year for hospitality, tourism and seafood industry businesses.
- Businesses with an annual payroll of up to \$5m in Australian wages can apply, based on the immediate impact of the virus on their businesses, to have their payroll tax payments waived for the three months from 31 March to June 2020.
- Introduce a youth employment payroll tax rebate scheme for young people from 1 April 2020.

### **Victoria**

- The Victorian Government are yet to announce their assistance plan.

### **South Australia**

- No specific measures announced yet.

*This document is for information purposes only. Seek professional advice to confirm your eligibility for any of the measures above.*