



QUARTER UPDATE



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PRACTICE UPDATE - MARCH 2020

THIS EDITION

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- AUSTRALIAN GOVERNMENT – BOOSTING CASH FLOW FOR EMPLOYERS
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ECONOMIC RESPONSE TO THE CORONAVIRUS

Over the past week, the various levels of government announced a package of measures to help the economy withstand and recover from the economic impact of coronavirus. The following measures will be administered by the Australian Government and Queensland Government.

ATO – INCREASING TAX WRITE OFFS

INCREASE OF INSTANT ASSET WRITE-OFF

- The instant asset write off threshold is increasing from \$30,000 to \$150,000 for the purchase of new or second hand assets from 12 March 2020 to the 30 June 2020.
- This creates an immediate 100% write off for assets under \$150,000.

ACCELERATED DEPRECIATION DEDUCTION

- For assets worth over \$150,000 - from the 12 March 2020 to the 30 June 2021 the government will introduce a 15 month investment incentive for the purchase of new assets.
- This incentive allows an increased 50% deduction of the cost of an eligible new asset upon installation.

- There is no upper limit on what the new asset can be worth.

The above changes will still need to pass parliament to become law.

TAX PLANNING OPPORTUNITY

The timing of these new measures lead directly into our normal tax planning season.

At this stage the increase in instant asset write offs are only available until 30 June 2020. This will make large capital investments immediately deductible this financial year.

*Please call our office on **4957 2985** to discuss these new measures and how it can benefit your 2020 tax planning.*

AUSTRALIAN GOVERNMENT – BOOSTING CASH FLOW FOR EMPLOYERS

WHAT IS ON OFFER?

- Tax free payments of between \$2,000 and \$25,000 for temporary cash flow support to employers.

WHO IS ELIGIBLE?

- Small to medium business with aggregated turnover of under \$50 million who employ workers.

HOW IT WORKS?

- After lodging your activity statements, the ATO will make a payment of 50% of the amount withheld from wages, to a maximum rebate of \$25,000.
- Even if you do not withhold any tax for the period, \$2,000 will be credited to your tax account.
- The ATO will deliver the payments as a credit on your activity statement account once they are lodged.

- The cap of \$25,000 is not per activity statement but for the entire period of the program.

WHEN WILL THIS START?

- For lodgers of **quarterly** activity statements this will apply to the **March 2020** and **June 2020** quarter statements.
- For lodgers of **monthly** activity statements this will apply for **March, April, May and June 2020** month statements.

*Please call our office on **4957 2985** should you have any questions regarding this cash flow boost.*

AUSTRALIAN GOVERNMENT – SUPPORTING APPRENTICES AND TRAINEES

WHAT IS ON OFFER?

- Employers can apply for a wage subsidy of 50% for apprentices or trainees.

WHO IS ELIGIBLE?

- Small businesses with fewer than 20 full time employees who retain an apprentice or trainee.
- Employers will be able to access the subsidy once a successful assessment is undertaken by an Australian Apprenticeship Support Network provider.

HOW IT WORKS?

- Employers will be reimbursed 50 per cent of the wages paid to an apprentice to a maximum subsidy of \$21,000 per apprentice (\$7,000 per quarter).

WHEN WILL THIS START?

- The program runs for the period 1 January 2020 to 30 September 2020.
- Employers can register for the subsidy from early April 2020 and final claims must be complete by 31 December 2020.

For more information visit <https://www.dese.gov.au/>

QUEENSLAND GOVERNMENT – PAYROLL TAX DEFERRAL AND CONCESSIONAL LOANS

WHAT IS ON OFFER?

- Payroll tax lodgment deferrals of up to six months.
- \$500 million loan facility for Queensland businesses to access concessional loans of up to \$250,000 with an initial 12-month interest free period.

WHO IS ELIGIBLE?

- Businesses that employ workers, pay less than \$6.5 million in wages and have been adversely affected by COVID-19 for payroll tax deferral.
- Queensland businesses impacted by COVID-19 who need assistance in retaining employees and maintaining their operations through concessional loans.

HOW IT WORKS?

- Eligible employers can apply by completing the online payroll tax deferral application form qldtreasury.syd1.qualtrics.com/jfe/form/SV_9Eu9CxxhAOX5dlhf
- The Queensland Rural and Industry Development Authority (QRIDA) will be administering the loans for carry on finance with an initial 12-month interest free period for businesses to retain staff.

WHEN WILL THIS START?

- If successful, the payroll tax deferrals will be applicable to lodgments from February to the June 2020 Annual statement.
- The deferred due date for all statements will be 3 August 2020.
- QRIDA is responsible for the administration of the concessional loans and are currently taking expressions of interest in the lead up to rolling these loans out as soon as possible.

WHERE CAN I FIND OUT MORE INFORMATION?

- For more details of the payroll tax deferral package, visit www.business.qld.gov.au/running-business/employing/payroll-tax/lodging/coronavirus-tax-relief
- For more details of the concessional loan package, visit <http://www.qrida.qld.gov.au/current-programs/covid-19-business-support/queensland-covid19-jobs-support-scheme>

The Federal Government's second COVID-19 economic rescue package will focus on supporting businesses and households that are likely to take a hit to their income in the coming months.

Keep up to date by following us on Facebook for the latest on all government stimulus related news.



Please Note – Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.

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