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employ. Part-time employees, stood down employees and long-term casuals are all eligible, as well as full-time employees.

A long-term casual is one employed on a regular basis for at least the previous 12 months as at 1 March 2020.

An employee must be an Australian citizen or the holder of a specified class of visa. Working holiday makers are currently not covered.

Eligible Employers

Step 1: To determine whether you are eligible for the JobKeeper payment follow this ATO guideline.

<https://www.ato.gov.au/general/jobkeeper-payment/employers/eligible-employers/>

The reduction in turnover of 30% or more is relative to a comparable period a year ago (of at least a month).

The eligible periods to calculate your decrease in turnover of 30% or more are:

- March 2020 vs. March 2019; or
- Projected April 2020 vs. April 2019; or
- Projected May 2020 vs. May 2019 etc. until September; or
- Alternatively use quarterly turnover for the projected 2020 vs. actual 2019 June or September quarters.

Use whichever period suits and use either cash or accruals method. You only need to meet the decline in turnover test once.

Register intent to claim

Step 2: If you are an eligible employer and you want to claim you MUST register your intent to claim <https://www.ato.gov.au/Job-keeper-payment/>

JobKeeper Employee Nomination Notice

Step 3: If you wish to access the JobKeeper Payment you MUST send the JobKeeper employee nomination notice to your nominated eligible employees to complete and return to you by the end of April if you plan to claim JobKeeper payment for April.

<https://www.ato.gov.au/assets/0/104/300/387/d1aab7f2-fbe8-44b8-9ec1-4885ded1088e.pdf>

COVID-19 Government stimulus measures

JobKeeper payment

This payment is for businesses to access a wages subsidy to continue paying their employees. Under the JobKeeper program, an “eligible employer” will be able to claim a fortnightly payment of \$1,500 per “eligible employee” from 30 March 2020, for a maximum of 6 months.

Employers will be eligible for the subsidy if:

- their turnover is less than \$1 billion and it will be reduced by more than 30%; or
- their turnover is \$1 billion or more and it will be reduced by more than 50%.

Not-for-profit organisations are also eligible for the JobKeeper payment.

You will have to apply to the ATO to participate in the scheme. You will need to demonstrate the appropriate downturn and you will have to report the number of eligible employees monthly.

If you are an eligible employer, you will receive the payment for each eligible employee that was on your books on 1 March 2020 and you continue to

Enrol for the JobKeeper payment (from 20 April onwards)

Step 4: To enrol and apply for the JobKeeper payment, you follow the steps in this link.

<https://www.ato.gov.au/General/JobKeeper-Payment/Employers/Enrol-and-apply-for-the-JobKeeper-payment/>

Importantly, you need to confirm eligible employees you will claim JobKeeper Payment for (available from 4 May 2020 onwards).

Boosting cash flow – PAYG withheld refund

The ATO will provide temporary cash flow support (called the cash flow boost) to small and medium businesses and not-for-profit organisations that employ staff during the economic downturn associated with the COVID-19.

Cash flow boosts are tax free and not subject to GST. You will still be entitled to a deduction for PAYG withholding paid. There is no effect on tax paid by employees in respect of their salary and wages.

Cash flow boosts will not have to be repaid once times improve (although if you are overpaid, the excess will have to be repaid).

How does the cash flow boost work?

Eligibility requirements

You will be eligible to receive the cash flow boost if you are a small or medium business (whether a sole trader, company, partnership or trust) that:

- held an ABN on 12 March 2020 and continues to be active;
- has an aggregated annual turnover under \$50 million – this is generally based on the most recent prior year income tax assessment, but if you do not have any prior year assessments, you may still be eligible if the ATO is satisfied that you are in business and would have an aggregated annual turnover under \$50 million; and
- made eligible payments you are required to withhold from (even if the amount you need to withhold is zero).

Eligible payments include:

- salary and wages;
- director fees;
- eligible retirement or termination payments;

- compensation payments;
- voluntary withholding from payments to contractors.

In addition, you must also have either:

- derived business income in the 2018-19 income year and lodged your 2019 tax return on or before 12 March 2020; or
- made GST taxable, GST-free or input-taxed sales in a previous tax period (since 1 July 2018) and lodged the relevant activity statement on or before 12 March 2020.

To be eligible, not-for-profit organisations (excluding charities) must have all of the following:

- held an active ABN on 12 March 2020;
- have an aggregate annual turnover of less than \$50 million; and
- made payments to employees.

Charities registered with the Australian Charities and Not-for-profits Commission are eligible, regardless of when they were registered, if they meet the other eligibility requirements.

Initial cash flow boost

You will receive a credit equal to 100% of the amount withheld, up to a maximum of \$50,000. The minimum credit will be \$10,000, even if the amount required to be withheld is zero. However, you will not be eligible to receive any more cash flow boosts until your PAYG withholding exceeds \$10,000 over the relevant periods.

Monthly lodgers will receive a credit that is calculated at three times the rate (300%) in the March 2020 activity statement, to align with quarterly lodgers.

The total of all initial cash flow boosts across all of the relevant periods cannot exceed \$50,000.

The initial cash flow boost will be delivered as a credit in the activity statement system from 28 April 2020. If you lodge early (i.e. before 28 April 2020), you will not receive the cash flow boost before that date.

If you lodge quarterly, you will be eligible to receive the credit for:

- quarter 3, March 2020 (lodgment due date 28 April 2020); and
- quarter 4, June 2020 (lodgment due date 28 July 2020).

If you lodge monthly, you will be eligible to receive the credit for the March, April, May and June lodgment periods.

As the cash flow boost is generated on lodgment of an eligible activity statement, if the ATO has granted a lodgment deferral, the cash flow boost will generally be made at the time of the deferred lodgment.

Additional cash flow boosts

If you receive an initial cash flow boost, you will receive additional cash flow boosts, for the periods June to September 2020. The amount received will be equal to the total amount of the initial cash flow boost.

The additional cash flow boosts will be delivered in 2 or 4 instalments, depending on your reporting period. If you report quarterly, you will receive 50% of the initial cash flow boost for each BAS.

Delivery of the cash flow boost

You do not need to apply for the cash flow boosts. If you are eligible, the cash flow boosts will be automatically applied to your account when you lodge your BAS for the relevant period. The cash flow boosts will be applied to reduce liabilities arising from the same BAS. This will result in eligible entities being required to pay less to the ATO.

The ATO has said that if you do not need to lodge a BAS in respect of your PAYG withholding, it is working through a solution and will update its website with more information on what you need to do.

Where a credit exceeds your other tax liabilities, the excess amount will be refunded.

You may also receive a refund if you overpay because your system was unable to take the cash flow boost into consideration when working out how much was payable.

The ATO has said that it will generally deliver any refund within 14 days.

Warning!!

You will not be eligible for cash flow boosts if you (or a representative) take steps to make you eligible for cash flow boosts, or to increase the amount of your cash flow boosts.

This may include restructuring your business or the way you usually pay your workers, as well as increasing wages paid in a particular month to maximise the cash flow boost amount.

Tip! Talk to us before restructuring your business. There will be other tax issues you need to know about, such as capital gains tax.

[https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/)

Apprentices and trainees

- Available to small employer with fewer than 20 full-time employees who retain an apprentice/trainee
- Eligible employers can apply for a wage subsidy of 50% of the apprentice's/trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020
- Employers reimbursed up to a maximum of \$21,000 per eligible apprentice/trainee (\$7,000 per quarter)
- Apprentice/trainee must have been in training with a small employer as at 1 March 2020
- Registrations will commence from early April 2020
- Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider

<https://www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Supporting-apprentices-and-trainees>

Instant asset write-off changes

There are 2 changes:

- the instant asset write-off threshold has been increased from \$30,000 to \$150,000 for the period from 12 March to 30 June 2020; and
- the turnover threshold has also been extended to \$500 million – see below.

This means that a small business with an aggregated turnover of less than \$10 million can write-off in the current income year the total cost of a depreciating asset costing less than \$150,000, provided the asset is first used or installed ready for use in the business on or after 12 March 2020 and before 1 July 2020.

The increased threshold also applies to assets a small business (but not a medium business) acquired before 12 March but had not used, or installed ready for use, by that date.

Remember that if you purchase a car for your business, the instant asset write-off is limited to the business portion of the car limit of \$57,581.

You cannot claim the instant asset write-off for an asset costing between \$30,000 and \$150,000 if you had used it, or installed it ready for use, before 12 March. For example, if you sell an asset you are already using and buy it back (for between \$30,000 and \$150,000) you won't be able to claim the instant asset write-off for the re-purchase.

Small and medium businesses may also be able to claim a deduction for an amount included in the second element of the cost of a depreciating asset. The amount of the cost must be less than \$150,000 and the cost must be incurred on or after 12 March 2020, but before 1 July 2020.

If you are a small business, only assets costing \$150,000 or more, and costs of \$150,000 or more relating to depreciating assets, need be allocated to the general small business pool. If the balance of the pool falls below \$150,000 at the end of the current income year, the entire balance of the pool can be deducted.

Instant asset write-off – medium businesses

The instant asset write-off turnover threshold has been extended from \$50 million to \$500 million.

This means that a medium sized business that has an aggregated turnover of \$10 million or more but less than \$500 million can immediately deduct the cost of an asset if the asset:

- has a cost of less than \$150,000; and
- was first used or installed ready for use for
- a taxable purpose on or after 12 March 2020 and on or before 30 June 2020.

Medium sized businesses with an aggregated turnover of \$10 million or more but less than \$50 million has depreciating assets that do not meet the timing requirements for the \$150,000 threshold, the earlier \$30,000 threshold continues to apply prior to 12 March 2020. Note also that you can't claim the instant access write-off if you sell an asset you already use in your business and buy it back.

There is only a 3-month window of opportunity – to 30 June this year – to take advantage of the increased thresholds.

Accelerated depreciation

For businesses with an aggregated turnover less than \$500m. To be eligible for the accelerated depreciation, the depreciating asset must:

- be new and not previously held by another entity (other than as trading stock);
- be first held on or after 12 March 2020; and
- be first used or first installed ready for use for a taxable purpose on or after 12 March 2020 and before 1 July 2021 (yes - 2021 – it is not a typo!).

A depreciating asset will not qualify for the accelerated depreciation if:

- depreciation deductions have already been applied to the asset or the asset is written off immediately under the instant asset write-off rules;
- it will not be used principally in a business in Australia or located in Australia;
- it is used in a primary production business (e.g. fencing, fodder storage assets or horticultural plants); or
- you were committed before 12 March to acquiring or constructing the asset – you cannot restructure existing contracts to try to get around this rule.

You cannot split an asset or merge assets to try to qualify for the accelerated depreciation.

The rules for working out the accelerated depreciation vary depending on whether or not you use the simplified depreciation rules.

In all cases, you cannot deduct more than what you pay for the asset.

Small business using simplified rules

A small business using the simplified depreciation rules, those assets over the instant asset threshold which are eligible for the accelerated depreciation are added to the general small business pool. You can deduct an amount equal to 57.5% (rather than 15%) of the business portion of a new depreciating asset in the year you add it to the pool. In later years the asset will be depreciated as part of the general small business pool rules.

Other businesses

Other businesses with an aggregated turnover less than \$500m – including small businesses that do not use the simplified depreciation rules – will be able to deduct in the income year the asset is first used or installed ready for use:

- 50% of the cost (or adjustable value where applicable) of the depreciating asset; plus
- the amount of the usual depreciation deduction that would otherwise apply but calculated after first offsetting a decline in value of 50%.

Other Federal government measures

Other government measures to assist financially distressed individuals and businesses include:

- temporarily increasing from \$5,000 to \$20,000 in the minimum amount of debt required to be owed before a creditor can initiate involuntary bankruptcy proceedings against a debtor;
- temporarily extending the time for a debtor to respond to a bankruptcy notice from 21 days to 6 months; and
- temporarily extending from 21 days to 6 months the timeframe in which a debtor is protected from enforcement action by a creditor following presentation of a declaration of intention to present a debtor's petition.

The government will also enter into risk-sharing agreements with financial institutions to ensure that credit continues to flow to small and medium enterprises so they can continue to meet their immediate financing needs during the uncertain economic conditions caused by COVID-19.

Access to Super

The government also announced that individuals may access their super if adversely affected by COVID-19 (up to a maximum of \$20,000 in 2 instalments) and a reduction by 50% in the minimum annual payment required for certain pensions and annuities.

<https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/Early-access-to-your-super/>

What is the ATO doing?

PAYG instalment variations

The ATO will allow businesses impacted by COVID-19 to vary PAYG instalment amounts as from the March 2020 quarter.

A quarterly PAYG instalments payer can vary their PAYG instalments on their BAS for the March 2020 quarter. This can be done by lodging a revised BAS before an instalment is due, and before the business lodges its income tax return for the year. Businesses that vary their PAYG instalment to zero can also claim a refund for any instalments made

for the September 2019 and December 2019 quarters.

Changing to monthly reporting

The ATO will allow businesses on a quarterly reporting cycle to opt into monthly GST reporting to get quicker access to any GST refunds. Changing the GST reporting cycle to monthly doesn't mean that a business has to change its PAYG withholding reporting cycle. Rather, business can manage this by specifying the roles it is changing.

Once a business chooses to report and pay GST monthly, the ATO says it must keep reporting monthly for 12 months before it can elect to revert to quarterly reporting.

Other measures

Other ATO administrative measures to assist businesses impacted by COVID-19 are:

- deferring by up to 4 months the payment of BAS amounts (including PAYG instalments), income tax, FBT and excise;
- remitting any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities; and
- allowing affected businesses to enter into low-interest payment plans for their existing and ongoing tax liabilities.

These assistance measures will not be implemented automatically by the ATO (unlike the relief measures for the 2019-20 bushfires). Therefore, if you are an individual, sole trader, small or medium business and you need further assistance managing your tax and super obligations, contact the ATO Emergency Support Infoline (tel: 1800 806 218) or talk to us. Once you contact the ATO, a support plan will be tailored for you.

The ATO has set up a "one stop shop" on its website for essential tax and super info on Coronavirus stimulus measures.

<https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/>

State and Territory Coronavirus measures

The States and Territories have also announced various measures to help people and businesses during the COVID-19 epidemic, including waiving various government fees and charges, providing grants and interest-free loans and providing rent relief for tenants in government owned properties.

Various revenue related measures are listed below. For full details, however, talk to your tax agent or visit the relevant government website.

Victoria

- SMEs with a payroll of less than \$3 million - full payroll tax refunds for the 2019-20 financial year and deferral of payroll tax for the first 3 months of the 2020-21 financial year until 1 January 2021.
- **Eligible businesses can receive a \$10,000 grant from the State Government. *Conditions Apply.***
<https://businessvic.secure.force.com/PublicForm?id=bsf2020#no-back-button>
- Deferral of 2020 land tax payments for eligible small businesses.

NSW

- Waiver of payroll tax for businesses with payrolls of up to \$10 million for 3 months (the rest of 2019-20).
- Deferral of payroll tax for business with payrolls over \$10 million for six months.
- The \$1m payroll tax threshold will be brought forward 12 months to 1 July this year.
- Deferral of gaming tax for clubs, pubs and hotels, and lotteries tax for 6 months, conditional on these funds being used to retain staff.
- Deferral of the parking space levy for 6 months.

Queensland

- Small and medium businesses (payroll up to \$6.5M) - a 2-month refund of payroll tax, a 3-month payroll tax holiday and deferral of all payroll tax payments for the rest of 2020.
- Larger businesses (payroll over \$6.5M) affected by COVID-19 - 2-month payroll tax refund and deferral extended for all of 2020.

- \$500 rebate on electricity bills for all Queensland small and medium sized businesses that consume less than 100,000 kilowatt hours.

South Australia

- A 6-month payroll tax waiver for all businesses with an annual payroll up to \$4 million.
- Employers with grouped annual wages above \$4m can defer payroll tax for 6 months.
- Land tax payment deferral for 6 months for those with outstanding quarterly bills for 2019-20.

Western Australia

- Businesses with a payroll between \$1 million and \$4 million will receive a one-off grant of \$17,500.
- The \$1 million payroll tax threshold is brought forward by six months to 1 July 2020.
- Small and medium sized businesses affected by COVID-19 can apply to defer payment of their 2019-20 payroll tax until 21 July 2020.

Tasmania

- Payroll tax liabilities will be waived for hospitality, tourism and seafood industry businesses for the last 4 months of 2019-20.
- Other businesses with payrolls of up to \$5 million will be able to apply, based on the impact of virus, to have their payroll tax waived for April to June 2020.

ACT

- Interest free deferrals of payroll tax commencing 1 July 2020 for all businesses up to a payroll threshold of \$10 million.

Super guarantee amnesty

The super guarantee (SG) amnesty is now official. Under the amnesty, employers have a 6-month window until 7 September this year to disclose, lodge and pay unpaid SG amounts for their employees.

To be eligible for the amnesty, you must declare and pay your SG shortfalls and interest charges.

Payments made during the amnesty can be claimed as tax deductions.

SG shortfalls for any quarter between 1 July 1992 and 31 March 2018 may be eligible for the amnesty if they haven't been disclosed previously or aren't subject to a current or previous audit.

Applications for the amnesty close at 11.59pm on 7 September 2020. The closing date cannot be changed, even if you are impacted by bushfires or COVID-19.

After the amnesty ends, the ATO's ability to remit penalties applied as a result of an audit is limited by law. This means shortfalls will have a minimum penalty of 100% applied but can be as much as 200%.

The ATO has also said that its audit program will continue during the amnesty period.

How to apply for the amnesty

To apply for the amnesty, you must:

- lodge one approved SG amnesty form;
- complete one form per quarter using the instructions contained in the form;
- check amounts are correct and there are no errors on the forms;
- complete the declaration to confirm you are applying for the amnesty;
- save the form as an .xls file.

Do not use the SGC calculator in the Business Portal if you want to apply for the amnesty.

To ensure the correct calculation of the amount of SGC you owe and efficient processing of your amnesty application you need to:

- use the Mail function in the Business Portal;
- select New message;
- type Topic: Superannuation;
- type Subject: Lodge SG amnesty;
- attach the completed SG amnesty form (XLS 613KB) for each quarter to the secure mail message. You can attach up to 6 forms totalling no more than 4MB.

The ATO will tell you which quarters are eligible for the amnesty once they receive the forms.

If you are eligible for the amnesty, you:

- will be informed in writing within 14 business days of the ATO receiving your application;

- won't be charged the administration component (\$20 per employee per quarter) or part 7 penalty;
- will need to pay or set up a payment plan to pay the total amount of SGC you owe. We will send you your payment reference number (PRN).

Payment plan

The ATO has said that it will work with employers to establish a payment plan that is flexible to help them to continue making payments. These arrangements include:

- flexible payment terms and amounts which the ATO will adjust if circumstances change;
- the ability to extend the payment plan to beyond 7 September 2020, the end of the amnesty period - only payments made by 7 September 2020 will be deductible.

It is important to note that if you agree a payment plan with the ATO, but you are unable to maintain payments, you will be disqualified from the amnesty and the amnesty benefits will be removed. The disqualification will only apply to any unpaid quarters - the administration component of \$20 per employee will be re-applied. The ATO will take your circumstances into account when deciding whether a Part 7 penalty should be applied.

If you previously lodged an SGC statement

If you previously disclosed unpaid SG to the ATO in anticipation of the SG amnesty, you don't need to lodge again or apply on the SG amnesty form.

The ATO will review all disclosures received between 24 May 2018 and 6 March 2020 and advise you of your eligibility. The \$20 per employee per quarter administration charge will be refunded if you meet the amnesty criteria.

If you have made payments of SGC or contributions to employee super funds in 2017-18 or 2018-19 that are eligible for income tax deductions, you should include this deduction in your tax return for the relevant year. Once the ATO has amended your return it will pay any refund due as soon as possible (generally within 14 days).

<https://www.ato.gov.au/Business/Super-for-employers/Superannuation-guarantee-amnesty/>

Commercial tenants rent relief

The Prime Minister has announced new rental waivers and deferrals for commercial tenants hit by the impact of the coronavirus crisis.

Under the scheme, landlords will have to reduce leases in proportion to the reduction in the tenant's business.

The waivers will have to account for at least 50 per cent of the reduction in business.

Deferrals — rental payments that will need to be made but can be put off — must be spread over the remaining time on a lease and for no less than 12 months.

That means that if a tenant had 3 months remaining on a lease, they would still have at least a year to make any deferred rent payment.

The code will apply to any tenancies where the tenant is eligible for JobKeeper and have a turnover of \$50 million or less.

The arrangements will be overseen by binding mediation and a mandatory code will be rolled out in each state and territory.

"This preserves the lease, it preserves the relationship, it keeps the tenant in the property," the PM said.

"The code brings together a set of good-faith leasing principles.

"Landlords must not terminate the lease, and tenants must honour the lease."

Residential tenancies will be dealt with by state and territory governments, Mr Morrison said.

Key tax dates

Date	Obligation
21 Apr 2020	Lodge and pay March 2020 monthly BAS
28 Apr 2020	Lodge and pay March 2020 quarterly BAS Pay March 2020 quarterly instalment notice Employee super guarantee contributions due
21 May 2020	April monthly BAS due Lodge and pay annual FBT return (if your business lodges one)
28 May 2020	Lodge and pay March 2020 quarterly SGC (if required)
21 June 2020*	May monthly BAS due
30 June 2020	Super guarantee contributions must be paid by this date to qualify for a tax deduction in 2019-2020
21 July 2020	June 2020 BAS due
28 July 2020	Lodge and pay June 2020 quarterly BAS Pay June 2020 quarterly PAYG instalment Employee super guarantee contributions due June quarter SG due

*Next business day

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