

STIMULUS MEASURES FOR BUSINESS INVESTMENT

Measure	Details
Increase and extension of the instant asset write-off	<ul style="list-style-type: none"> From 12 March 2020, the instant asset write-off threshold will increase from \$30,000 to \$150,000, and access to the write-off will be expanded to include businesses with aggregated annual turnover of less than \$500 million until 30 June 2020. The instant asset write-off is a tax deduction that reduces the tax liability of your business. It enables your business to claim an upfront deduction for depreciating assets in the year the asset was purchased and used (or installed ready to use). If your business is likely to make a tax loss for the year, then the instant asset write-off is unlikely to provide a short-term benefit to you. Assets will need to be used or installed ready for use from when the changes were announced on 12 March 2020 until by 30 June 2020 to qualify for the higher threshold. Anything previously purchased does not qualify for the higher rate but may qualify for one of the other thresholds. Similarly, anything purchased but not installed ready for use by 30 June 2020 will not qualify. We advise our clients to be mindful of their cashflow position to ensure adequate cash reserves in the face of uncertain economic times and to be prudent around the extent of spending on asset purchases at this time.
Accelerated depreciation deductions	<ul style="list-style-type: none"> In addition to the increased instant asset write-off rules, accelerated depreciation deductions will apply from 12 March 2020 until 30 June 2021. This will bring forward deductions that would otherwise be claimed in later years. Businesses with a turnover of less than \$500 million will be able to deduct 50% of the cost of the asset in the year of purchase. They can also claim a further deduction in that year by applying the normal depreciation rules to the balance of the asset's cost. This will presumably only be relevant if the business cannot already claim an immediate deduction for the full cost of the asset.

STIMULUS MEASURES FOR BUSINESS EMPLOYERS

Measure	Details
Tax-free credits up to \$25,000 for employers	<ul style="list-style-type: none"> Tax-free cash flow support between \$2,000 and \$25,000 will be available to eligible businesses with a turnover of less than \$50 million that employ staff between 1 January 2020 and 30 June 2020. Eligibility for the measure will be based on prior year turnover. This is not a direct cash payment but a credit equal to 50% of the PAYG amounts withheld from salary and wages paid to employees. The employer will need to lodge an activity statement to trigger the entitlement. If the credit puts the business in a refund position the excess amount will be refunded by the ATO within 14 days. If a business pays salary and wages to employees but is not required to withhold any tax then a minimum payment of \$2,000 will still be made. Businesses that lodge activity statements on a quarterly basis will be eligible to receive the credit for the quarters ending March 2020 and June 2020. Business that lodge on a monthly basis will be eligible for the credit for the March 2020, April 2020, May 2020 and June 2020 lodgments. The minimum \$2,000 payment will be applied to the first lodgment.
Wage subsidy of up to 50% of an apprentice or trainee wage	<ul style="list-style-type: none"> Eligible employers can apply for a wage subsidy of 50% of the apprentice's or trainee's wage for up to 9 months from 1 January 2020 to 30 September 2020. The payments are accessible to businesses with less than 20 employees. Employers will receive up to \$21,000 per apprentice (\$7,000 per quarter). In order to qualify for this payment the apprentice or trainee must have been in training with the business as at 1 March 2020. It is expected that employers will be able to register for the subsidy from early April 2020. Final claims for payment must be lodged by 31 December 2020.
Waiving of payroll tax for 3 month period	<ul style="list-style-type: none"> Payroll tax to be waived for businesses with payrolls of up to \$10 million for three months. This means these businesses will save a quarter of their annual payroll tax bill in 2019-20. Bringing forward the next round of payroll tax cuts by raising the threshold limit to \$1 million in 2020-21.

STIMULUS MEASURES FOR BUSINESS COMPLIANCE

Measure	Details
ATO administrative relief from tax and payment obligations for people affected by the Coronavirus outbreak	<ul style="list-style-type: none"> • Deferral of amounts due through the business activity statement (including PAYG instalments), income tax assessments, fringe benefits tax assessments and excise by up to four months from the payment date. • Businesses on a quarterly reporting cycle are allowed to opt into monthly GST reporting in order to get quicker access to GST refunds they may be entitled to. • Businesses allowed to vary Pay As You Go (PAYG) instalment amounts to zero for the March 2020 quarter. 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. • Remission of any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities. • Low interest payment plans for affected businesses to help them pay their existing and ongoing tax liabilities. • The current assistance measures offered by the ATO are not like the bushfire relief measures which applied automatically to certain geographical locations. Assistance measures for those facing difficulties as a result by COVID-19 will be implemented on a case-to-case basis. Impacted businesses are encouraged to contact the ATO to discuss the relief options available.
Fees to be waived for vulnerable business sectors	<ul style="list-style-type: none"> • Fees and charges for small businesses including bars, cafes, restaurants and tradies to be waived by NSW Government. The finer details of how this will be rolled out are not yet available, however we will continue to update you as further announcements are made.

STIMULUS MEASURES FOR INDIVIDUALS

Measure	Details
Tax-free \$750 payment to social welfare recipients	<ul style="list-style-type: none"> A one-off, \$750 cash payment will be made to pensioners, social security, veteran and other income support recipients and eligible concession card holders. Payments will be from 31 March 2020 on a progressive basis. The payment will be tax-free and will not count as income towards other social security payments. There will be one payment per eligible recipient even if they qualify in multiple ways.
Casual employees able to access the Newstart 'sickness payment'	<ul style="list-style-type: none"> While not part of the stimulus package, the Prime Minister has stated that casual employees required to self-isolate or who contract the coronavirus will be eligible for a sickness payment (jobseeker payment) through Newstart. The normal waiting period for this payment will be waived.