

GOVERNMENT SUPPORT FOR BUSINESS'S

BOOSTING CASHFLOW FOR EMPLOYERS - NEW AS AT 22 MARCH

The Government is providing up to \$100,000 to eligible small and medium-sized businesses, and not for-profits (NFPs) that employ people, with a minimum payment of \$20,000. The intention is to help businesses and NFPs with their cash flow so they can keep operating, pay their rent, electricity and other bills and retain staff. Small and medium-sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible.

Under the scheme, employers will receive a payment equal to 100 per cent of PAYG Withheld from their salary and wages (up from 50 per cent), with the maximum payment being \$50,000. In addition, the minimum payment will be \$10,000.

An additional payment is also being introduced in the July - October 2020 period. Eligible entities will receive an additional payment equal to the total of all of the previous payments they have received. This means that eligible entities will receive at least \$20,000 up to a total of \$100,000 under both payments.

The cash flow boost provides a tax-free payment to employers and is automatically calculated by the Australian Taxation Office (ATO). There are no new forms required.

GST REPORTING

If your turnover is under \$20 million, you can apply to change your GST reporting from quarterly to monthly, so that you can receive any GST refunds quicker.

You can only change from the start of a quarter, so a change now will take effect from 1 April 2020. Please contact the ATO by the end of March if you wish to change your GST reporting frequency.

INSTANT ASSET WRITE-OFF - CONTINUING FROM MARCH 10 ANNOUNCEMENT

The Government is increasing the instant asset write-off (IAWO) threshold from \$30,000 to \$150,000 and expanding access to include all businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.

The higher IAWO threshold provides cash flow benefits for businesses that will be able to immediately deduct purchases of eligible assets each costing less than \$150,000.

The threshold applies on a per asset basis, so eligible businesses can immediately write-off multiple assets. The IAWO is due to revert to \$1,000 for small businesses (turnover less than \$10 million) from 1 July 2020.

ACCELERATED DEPRECIATION INVESTMENT INCENTIVE - CONTINUING FROM MARCH 10 ANNOUNCEMENT

The Government is introducing a time limited 15 month investment incentive to support business investment and economic growth over the short-term, by accelerating depreciation deductions.

The key features of the incentive are:

- Benefit – deduction of 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost
- Eligible businesses – businesses with aggregated turnover below \$500 million; and
- Eligible assets – new assets that can be depreciated which are first used or installed by 30 June 2021. Does not apply to second-hand assets, or buildings and other capital works.

JOB SUPPORT LOANS

Low interest loans of up to \$250,000 for carry on finance with an initial 12-month interest free period for businesses to retain staff may be available.

Register your interest through the Queensland Rural and Industry Development Authority or phone 1800 623 946.

PAYROLL TAX RELIEF

If your business has been affected by the coronavirus (COVID-19), you can defer paying payroll tax returns until 31 July 2020.

You can apply at any time the relief package is available. If approved, your deferral will begin from the next return that is due. You can apply at any time the relief package is available. If approved, your deferral will begin from the next return that is due.

RELIEF FOR FINANCIAL DISTRESS

The Government is temporarily increasing the current minimum threshold for creditors issuing a statutory demand on a company under the Corporations Act 2001 from \$2,000 to \$20,000. This will apply for six months.

The threshold for the minimum amount of debt required for a creditor to initiate bankruptcy proceedings against a debtor will temporarily increase from its current level of \$5,000 to \$20,000. This will apply for six months.

Creditors, many of whom are themselves small businesses, will still have the right to enforce debt against companies or individuals through the courts.

To make sure that companies have confidence to continue to trade through the Coronavirus health crisis with the aim of returning to viability when the crisis has passed, directors will be temporarily relieved of their duty to prevent insolvent trading with respect to any debts incurred in the ordinary course of the company's business. This will relieve the director of personal liability that would otherwise be associated with the insolvent trading. It will apply for six months.

ATO ADMINISTRATIVE RELIEF

The Australian Tax Office (ATO) will provide administrative relief for certain tax obligations for taxpayers affected by the Coronavirus outbreak, on a case-by-case basis.

This includes the ability to defer payment of certain taxes up to six months and allowing businesses to vary pay as you go instalment amounts to zero for the March 2020 quarter. Businesses that vary to zero can claim a refund for any instalments made for the September 2019 and December 2019 quarters.

The ATO will set up a temporary shop front in Cairns within the next few weeks with dedicated staff specialising in assisting small business.