

WELCOME

Welcome to our special edition of the StewartBrown newsletter where we will keep you informed and updated with the latest tax and Government assistance package developments as they arise.

ASSISTANCE TO COPE WITH THE EFFECTS OF THE CORONAVIRUS (COVID-19)

FEDERAL GOVERNMENT STIMULUS PACKAGE

The Australian Federal Government has just released a \$17.6 billion economic stimulus package. The package has been marketed as a measure to protect the economy by maintaining confidence, supporting investment and keeping people in their jobs.

The key tax and stimulus measures include:

Business Investment

- From Thursday 12 March 2020, the instant asset write-off threshold has been increased from \$30,000 (for businesses with an aggregated turnover of less than \$50 million) to \$150,000 (for businesses with an aggregated turnover of less than \$500 million) until 30 June 2020.
- A time-limited 15-month investment incentive (through to 30 June 2021) which will operate to accelerate certain depreciation deductions. This measure will also be available to businesses with a turnover of less than \$500 million, which will be able to immediately deduct 50% of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost. As announced, this measure is proposed to only apply to new depreciating assets first used, or installed ready for use, by 30 June 2021.

Cashflow Assistance

- Tax-free incentive of up to \$25,000 for eligible small and medium businesses (i.e., with an aggregated turnover of less than \$50 million that employ staff) based on their PAYG withholding obligations. This is not a cash payment, but it is a credit equal to 50% of the PAYG amounts withheld from salary and wages paid to employees.

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 lodgements.

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. The minimum \$2,000 payment will be applied to the first activity statement lodgement.

- Wage subsidies to support the retention of apprentices and trainees – Employers with less than 20 full-time employees may be entitled to apply for Government funded wage subsidies amounting to 50% of an apprentice's or trainee's wage for up to nine months from 1 January 2020 to 30 September 2020. The maximum subsidy for each apprentice/trainee is \$21,000.

Individual Assistance

Tax-free payments of \$750 to social security, veteran and other income support recipients and eligible concession card holders. It is estimated that around half of those who will benefit will be pensioners. These payments will commence to be automatically made from 31 March 2020.

NSW STATE GOVERNMENT PACKAGE

In addition to the recent announcements by the Federal Government, the NSW State Government has announced the following measures to help businesses during this difficult period:

- \$450 million for the waiver of payroll tax for businesses with payrolls of up to \$10 million for three months (the remainder of 2019-20). This means these businesses will save a quarter of their annual payroll tax bill in 2019-20.
- \$56 million to bring forward the next round of payroll tax cuts by raising the threshold limit to \$1 million in 2020-21.
- \$80 million to waive a range of fees and charges for small businesses including bars, cafes, restaurants and tradies.
- \$250 million to employ additional cleaners of public infrastructure such as transport assets, schools and other public buildings.

- more than \$250 million to bring forward maintenance on public assets including social housing and crown land fencing.
- \$500 million to bring forward capital works and maintenance.

Contact your StewartBrown Manager or Partner if you would like to discuss how we can ensure you receive your maximum cashflow assistance from the Government.

BUSINESS CONTINUITY

As a business owner, you need to face the possibility of team members being absent from your workplace, product supply issues and demand for your services and products reducing over the short term.

In light of the recent and the uncertainty we are facing day to day, we felt it important to assure you that we expect no major interruptions to the services that we provide to you.

OUR CLOUD SYSTEMS MEAN YOU CAN ALWAYS CONTACT US IF YOU NEED US

Whether we're working from our office or working home in the coming weeks, we have invested heavily in the latest technology in recent years, and this means we can keep assisting you no matter what may happen.

All members of our team are able to work remotely and have access to all the technology systems and tools they use daily to assist our clients. Please keep emailing or phoning your advisor when you need us, and we will be here to help you!

WEALTH ADVICE

The share markets have fluctuated significantly due to fear and uncertainty in the marketplace in the past week or so.

For any questions you may have about investment matters, please feel free to contact Amanda Lee at StewartBrown Advisory here in the office.

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