

The Australian Government's Economic Response to Coronavirus

The Commonwealth's first round of measures to help the economy withstand and recover from the economic impact of coronavirus will be administered by the Australian Tax Office.

The [business.gov.au](https://www.business.gov.au) weblink is especially useful

Enhancing the instant asset write-off

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

Timing: This proposal applies 12 March to 30 June 2020, for new or second-hand assets first used, or installed ready for use in this timeframe. (Enhancing the IAWO will require legislative changes before it can take effect.)

Backing business incentive

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.

A deduction of 50% of the cost of an eligible asset on installation will apply, with existing depreciation rules applying to the balance of the asset's cost.

Eligibility: Businesses with aggregated turnover below \$500m.

Eligible assets: new assets that can be depreciated under Division 40 of the *Income Tax Assessment Act 1997* (that is, plant, equipment and specified intangible assets, such as patents). Does not apply to second-hand Division 40 assets, or buildings and other capital works depreciable under Division 43.

Timing: Assets acquired after announcement and first used or installed by 30 June 2021.

Boosting Cash Flow for Employers

The Boosting Cash Flow for Employers measure will provide up to \$25,000 back to business, with a minimum payment of \$2,000 for eligible businesses. The payment will provide temporary cash flow support to small and medium businesses that employ staff during the economic downturn associated with coronavirus. The payment will be tax free.

Eligibility: Small and medium business entities with aggregated annual turnover under \$50m and that employ workers will be eligible. Eligibility will generally be based on prior year turnover.

The payment will be delivered by the ATO as a credit in the activity statement system from 28 April 2020 when eligible businesses lodge (see below) upcoming activity statements.

Eligible businesses that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 50% of the amount withheld, up to a maximum payment of \$25,000.

Eligible businesses that pay salary and wages will receive a minimum payment of \$2,000, even if they are not required to withhold tax.

This measure will benefit around 690,000 businesses employing around 7.8m people.

Timing: The Boosting Cash Flow will be applied for a limited number of activity statement lodgements. The ATO will deliver the payment as a credit to the business upon lodgement of their activity statements. Where this places the business in a refund position, the ATO will deliver the refund within 14 days.

Quarterly lodgers will be eligible to receive the payment for the quarters ending March 2020 and June 2020.

Monthly lodgers will be eligible to receive the payment for the lodgement months of March to June 2020. To provide a similar treatment to quarterly lodgers, the payment will be calculated at three times the rate (150%) in the March 2020 activity statement.

The minimum payment will be applied to the business' first lodgement.

Supporting apprentices and trainees

Businesses that employ an apprentice or trainee may be eligible for a wage subsidy of 50% of their wage paid from 1 January 2020 to 30 September 2020. You can register for the subsidy from early April 2020.

Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer.

Employers will be reimbursed up to a maximum of \$21,000, per eligible apprentice or trainee (\$7,000 per quarter).

Support will also be provided to the [National Apprentice Employment Network](#), who are responsible for coordinating the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

Eligibility: The subsidy will be available to small businesses employing fewer than 20 full-time employees who retain an apprentice or trainee.

Employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will be eligible for the subsidy. The apprentice or trainee must have been in training with a small business as at 1 March 2020.

Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.

Timing: Employers can register for the subsidy from early April 2020. Final claims for payment must be lodged by 31 December 2020.

For further information on how to apply for the subsidy, including information on eligibility, contact an [Australian Apprenticeship Support Network](#) (AASN) provider.

Assistance for affected regions, communities and industries

The Government has set aside an initial \$1bn allocation to support those regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including those heavily reliant on industries such as:

- tourism
- agriculture
- education

The \$1bn will be provided through existing or newly established Government programs.

This will include additional assistance to help businesses identify alternative export markets or supply chains. Targeted measures will also be developed to further promote domestic tourism.

Eligibility: The Minister for Trade, Tourism and Investment will work with affected industries and communities to develop recovery plans and measures.

Timing: Funding will be available for distribution through existing or new mechanisms as soon as practicable.

Australian Tax Office

Support options

Businesses impacted by COVID-19 can call the ATO's Emergency Support Infoline on **1800 806 218** for help tailored to your circumstances.

- If you prefer to speak in a language other than English, phone the Translating and Interpreting Service on 13 14 50 for help with your call.
- Aboriginal and Torres Strait Islander peoples can phone our Indigenous Helpline on 13 10 30.

- If you have difficulty hearing or speaking to people who use a phone, you can contact the ATO through the [National Relay Service](#).

You can also talk to your tax or BAS agent so they can work with us to support you to manage your tax affairs.

Payment deferrals

If you have been affected by the coronavirus, the ATO can work with you to defer some payments and vary instalments you have due.

Monthly GST credits

Businesses on a quarterly reporting cycle may elect to change their GST reporting and payment to monthly, to get quicker access to GST refunds you are entitled to.

Timing: You can only change from the start of a quarter, so a change now will take effect from 1 April 2020.

Pay as you go instalments

If you're a quarterly pay as you go (PAYG) instalments payer you can vary your PAYG instalments on your activity statement for the March 2020 quarter. You can do this by lodging a revised activity statement before your instalment is due and before you lodge your income tax return for the year.

Businesses that vary their PAYG instalment rate or amount can also claim a refund for any instalments made for the September 2019 and December 2019 quarters.

Remitting interest and penalties

Where your business is affected by the coronavirus, the ATO will consider remitting interest and penalties applied to tax liabilities incurred after 23 January 2020.

Low interest payment plans

If your business has been affected by the coronavirus and you need help to pay your existing and ongoing tax liabilities, you can contact the ATO to discuss entering a low interest payment plan.