

25 March 2020

Australian Government Measures

This is a general information to all clients and important contacts of Sheltons Accountants Australia concerning the new coronavirus (SARS-CoV-2) and the resultant disease, COVID-19. Below we are covering two aspects: our client servicing and government assistance to business.

Sheltons - client servicing

We at Sheltons have taken measures in order to ensure the uninterrupted delivery of services to our clients. An important step to that end is to arrange for most of our Australian team members to work from their homes. This has been done partly to avoid the risk of the whole office being effected. Some are still working in our normal offices.

You will still be able to communicate with any one of our team at all times in the usual manner - via email, Skype or telephone. Furthermore, all incoming post, clients' official correspondence and couriers will still be received normally at our office.

With offices in four countries, and working exclusively with internationally operating clients, everyone at Sheltons is used to working remotely. We also became a paperless firm some years ago so all client documents are stored on a secure remote server, which is fully accessible when we are set-up from home.

Government assistance - update on subsidies and financial assistance being introduced in Australia

The following is a high level overview of selected measures the Australian government announced in the past days. There are many conditions involved (only very few are mentioned below). Further, some measures still require legislative approval.

1) Australian Federal Government

- *Instant asset write-off increased*
 - The instant asset write-off (IAWO) threshold increases to A\$150,000 (from A\$30,000).
 - Period: 12 March 2020 until 30 June 2020.
- *Backing business investment incentive*
 - A 50% deduction (accelerated depreciation) of the cost of an eligible asset upon installation.
 - Period: 12 March 2020 until 30 June 2020.
- *Boosting cash flow for employers*
 - A payment to eligible employers equal to 100% of their PAYG tax withheld, up to a cap of A\$100,000 with a minimum payment of A\$20,000.
 - Payments will be delivered by the tax office as a credit in the activity statement from 28 April 2020 onwards.
 - Timing of payments will depend on various conditions being met.



2) NSW State Government (some other states have also announced measures)

- *Waiver of payroll tax (payroll tax year 2019/2020)*
 - Waiver of payroll tax for the months of April, May and June 2020.
 - Payrolls up to A\$10 million (annually) will be eligible.
- *Payroll tax threshold (payroll tax year 2020/2021)*
 - Increase in the payroll tax threshold for the payroll tax year 2020/2021 (from 1 July 2020) to A\$1 million (from A\$900,000).

3) Australian Taxation Office (ATO)

- *Defer payments and vary instalments*
 - This applies to income tax, PAYG instalments and FBT.
 - The period of deferral can be up to 4 months.
- *Monthly GST credits*
 - Businesses on a quarterly reporting cycle for GST may elect to change to monthly to get quicker access to GST refunds.
 - Changing from quarterly to monthly must be actioned before the start of the quarter (i.e. 1 April).
- *Pay as you go instalments*
 - Vary PAYG instalments for the March 2020 quarter.
 - Eligible businesses that decide to vary their PAYG instalments can also claim a refund for any instalments made for the September 2019 and December 2019 quarters.

If you wish to discuss whether your business can take advantage of any of these measures, please feel free to contact Sheltons Australia as outlined below.

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