

Given the complex and fast changing nature of the situation, we have put together a high-level summary of the available stimulus measures as at **03 April 2020**. We strongly recommend you get in touch with your accountant or tax advisor to determine your eligibility for each of the measures outlined below.

Economic Stimulus	Actions for business
<p>1. Early Childhood Education and Care Relief Package Weekly payments will be made directly to early childhood education and care services in lieu of the Child Care Subsidy and the Additional Child Care Subsidy, to help them keep their doors open and employees in their jobs.</p>	<p>From Monday 6 April 2020, these payments will be made extending until the end of the 2019-20 financial year and families will not be charged fees during this time.</p> <p>These payments will look to complement the Job Keeper subsidy. Find out more here.</p>
<p>2. introduction of a new Job Keeper payment. The Job Keeper payment is \$1,500 (before tax) per fortnight per eligible employee for a 6 month period, with the first payment to be made in the first week of May 2020 (backdated to 30 March 2020).</p> <p>Eligible employers include those with a turnover of less than \$1 billion where turnover will be reduced by more than 30% relative to a comparable period a year ago. For employers with turnover in excess of \$1 billion, the decrease in turnover must be at least 50% relative to a comparable period a year ago.</p> <p>An eligible employee will include:</p> <ul style="list-style-type: none"> • Currently employed on a full time or part time basis; • Long term casuals (that is a casual employed on a regular basis for more than 12 months); • Employees who have been stood down; • Employees who have been rehired providing they were employed at 1 March 2020. 	<p>Employers are now able to register their interest in claiming the Job Keeper payment with the ATO (here), this will ensure you receive the latest information as and when it becomes available.</p> <p>Once the formal application process is live, employers will be required to provide information to the ATO on the number of eligible employees, for most businesses the ATO will be able to use the single touch payroll data to pre-populate the employee details.</p> <p>Employers in receipt of the Job Keeper payment will be subject to monthly reporting obligations, including providing an update on the number of eligible employees employed.</p> <p>Find out more here</p>
<p>3. PAYG tax withholding – cash boost. For businesses with aggregated turnover of less than \$50 million, PAYG withholding on salary and wages will not be required to be remitted to the ATO where the value is less than \$50,000 for the period to 30 June 2020. Another \$50,000 limit will be applied post June 30 2020.</p> <p>Eligible businesses that are not required to withhold tax will receive a minimum cash payment of \$10k to 30 June 2020 and a further \$5k in the Sep and Dec 20 quarters respectively.</p>	<p>The ATO will apply a credit of up to \$50,000 across your March and June 2020 activity statements (i.e. where your PAYG withholding for the period is less than \$50,000, the ATO will provide a credit equal to 100% of your PAYG withholding amount. If your PAYG withholding is in excess of \$50,000 for the period, the ATO will cap the credit to \$50,000).</p> <p>This should be automatically applied to your business if applicable.</p> <p>Get in touch with your tax expert or the ATO directly should you have any questions.</p>

<p>4. Deferral of tax payments. Taxpayers who have been impacted by covid-19 may be eligible to defer their tax payments by up to 6 months (this includes GST, FBT payments etc.)</p>	<p>Consider your cash flow requirements over the next 6 month period and where necessary engage with the ATO to defer payments of income tax, FBT, etc as required.</p> <p>This measure does not automatically apply. You are required to discuss this with the ATO directly.</p> <p>Find out more on how to apply here.</p>
<p>5. Variation of pay as you go income tax instalments Taxpayers who have been impacted by covid-19 may be eligible to vary their PAYG income tax instalment amount or rate. .</p> <p>For taxpayers who currently lodge and pay on a quarterly basis, you may vary your PAYG income tax instalment / rate on your next activity statement. Where you chose to vary the instalment amount the ATO will not impose penalties or interest to the varied instalments for the 2020 financial year.</p> <p>For taxpayers who lodge on a monthly basis and have a base assessment instalment income of \$500 million or less you may be eligible to vary your PAYG instalment however you must negotiate this with the ATO by calling 13 72 26.</p>	<p>Consider your cash flow requirements and if required vary your PAYG instalment on your March activity statement or if already lodged consider lodging a revised activity statement.</p> <p>Forecast your year-end taxable income to determine the extent of your FY20 income tax debt and vary your PAYG instalment accordingly.</p>
<p>6. Refund of pay as you go (PAYG) income tax Instalments Taxpayers who are eligible to vary their PAYG income tax instalment amount or rate and lodge quarterly, may also be eligible to request a refund of the PAYG income tax instalments paid for the September and December 2019 quarters.</p> <p>For monthly lodgers you will need to discuss the refund with the ATO by contacting them on 13 72 26.</p>	<p>Taxpayers may be able to unlock significant cash flow where the PAYG income tax instalments are able to be refunded. To determine the extent of refund required, you may forecast taxable income to 30 June 2020, taking into consideration the potential impact of covid-19 on your bottom line.</p> <p>Note, whilst the tax may be refunded in the short term, it may need to be repaid upon lodgement/payment date of the FY20 income tax return.</p> <p>More info can be found on the update here.</p>
<p>7. Instant asset write-off The ATO has increased the instant asset write-off to include assets costing up to \$150k, for a taxpayer with annual turnover of less than \$500 million. Note the asset must be installed and ready for use prior to June 30, 2020.</p>	<p>Bring forward any planned equipment or asset investment to before 30 June 2020 where possible to take advantage of the up to \$150k tax deduction.</p> <p>Talk to your tax expert to ensure you're able to claim the deduction and find out more here, or get in touch with ScotPac today to discuss how our Asset Financing solution can help.</p>
<p>8. Accelerated depreciation Accelerated depreciation is now available for eligible assets installed and ready for</p>	<p>Review planned capital expenditure and where cash flow permits, purchase eligible assets prior to 30 June 2021, to take advantage of the accelerate tax depreciation.</p>

<p>use before 30 June 2021. Taxpayers will be able to claim 50% of the assets cost base in year 1 as an upfront deduction. The accelerated depreciation regime applies to taxpayers with an aggregated turnover of less than \$500 million. year</p>	<p>Find out more here, or get in touch with ScotPac today to discuss how our Asset Financing solution can help.</p>
<p>9. Historical tax debt assistance Low interest payment plans with the ATO for existing and ongoing tax obligations may be available to eligible taxpayers.</p>	<p>Review any existing payment plan arrangements with the ATO or existing ATO debts and negotiate an alternate arrangement with the ATO.</p>
<p>10. Varying reporting cycle Taxpayers with turnover of less than \$20 million, who currently lodge their activity statements on a quarterly basis may be able to switch to monthly lodgements in order to access GST refunds quicker.</p> <p>The change can only be enacted from the start of the April quarter (Wed 1 April 2020) and once elected you must remain reporting monthly for at least 12 months.</p>	<p>Review your GST position to determine if reporting monthly will enable you to access GST refunds quicker.</p> <p>Should you feel this option is appropriate for you, get in touch with the ATO on 13 72 26 to discuss your arrangement. You can also find out more here.</p>