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| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  | | --- | --- | --- | --- | --- | | |  | | --- | | **[Government announces coronavirus stimulus package](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc98e0527391cfcf737f8a91e562191c19215e1f1996ea9a19d07f867928184998220543365ea7f036d37396ee356c963f)**  The government has announced a range of measures to support the economy, business and employment in the face of the coronavirus health crisis. The measures include the below.  **Cash Flow Boost for employers** – employers with an aggregated annual turnover of under $50 million (based on prior year turnover) will receive a payment of $2000 to $25,000 from the government to help with cash flow. Eligible businesses will receive a payment equal to 50 per cent of taxes withheld from employees’ salary and wages up to $25,000. | | |  |  | | --- | --- | | |  | | --- | | [Thomson Reuters](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc66b7dbe39dd2a9c71458c81006a89fa7028eac3b02ea63ca9cd9c7e383c77b64af1fac3245a4624702c66374bac98b12) | | | | |

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| Eligible businesses that pay salary and wages will receive a minimum payment of $2000, even if they are not required to withhold tax.  The payment will be delivered as a credit in the activity statement system from 28 April 2020 upon businesses lodging eligible upcoming activity statements. Where this places the business in a refund position, the ATO will deliver the refund within 14 days.  **Increasing the instant asset write off** – the government is proposing to increase the threshold for the instant asset write off from $30,000 to $150,000 and expand access to businesses with an aggregated annual turnover of up to $500 million (up from $50 million). The increase will only be available from 12 March to 30 June 2020 for new or second-hand assets first used or installed ready for use by 30 June 2020.  **Accelerated deprecation** – the government is proposing an accelerated deprecation deduction for eligible assets acquired from 12 March and first used or installed by 30 June 2021. Eligible taxpayers will receive a deduction of 50 per cent of the cost of the eligible asset on installation, with existing depreciation rules applying to the balance. Eligible businesses are those with an aggregated turnover below $500 million. Eligible assets are those that can depreciated under Division 40 of the *Income Tax Assessment Act 1997* (that is plant, equipment and specified intangible assets, such as patents), but does not apply to second-hand Division 40 assets, or buildings and other capital works depreciable under Division 43.  **Apprentice and trainee wage subsidy** – the government will offer employers a wage subsidy of 50 per cent of an apprentice’s or trainee’s wage from 1 January to 30 September 2020, capped at $7000 each quarter per each eligible apprentice or trainee. Businesses with less than 20 full-time staff will be eligible, however employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will continue to be eligible for the subsidy.  **Direct payment to individuals** – the government will make a one-off payment of $750 to around 6.5 million social security, veterans and other income support recipients and eligible concession card holders residing in Australia.  [**ATO support measures for those affected by coronavirus outbreak**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc0a0f4807fe7e11fd26192bd8a23c2d644e4a7c280b248bdbd7d8f5b78875dc7eed9f029a355605192a54b7adc3eb6a36) The ATO will implement a series of administrative measures to assist Australians experiencing financial difficulty as a result of the COVID-19 outbreak.  Businesses impacted by the coronavirus are encouraged to get in touch with the ATO to discuss relief options. Options available to assist impacted businesses include:   * deferring by up to four months the payment date of amounts due through the business activity statement (BAS, including PAYG instalments), income tax assessments, FBT assessments and excise * allowing businesses on a quarterly reporting cycle to opt into monthly GST reporting in order to get quicker access to GST refunds they may be entitled to * allowing businesses to vary Pay As You Go (PAYG) instalment amounts to zero for the April 2020 quarter. Businesses that vary their PAYG instalment to zero can also claim a refund for any instalments made for the September 2019 and December 2019 quarters * remitting any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities * working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans.   Employers will still need to meet their ongoing super guarantee obligations for their employees.  Unlike the bushfire relief measures, which applied automatically to particular geographic areas, assistance measures for those impacted by COVID-19 will not be automatically implemented.  Anyone impacted by COVID-19 should contact the ATO to request assistance on its Emergency Support Infoline 1800 806 218.  [**High wealth private groups tax gap released**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74ccf16c9a4739d3bb08d86d30bba2470a20d7d94abae57f4b7d348ce592a5b4eb33e40d54d8fc4ae5947b3095a10ef5c358) The ATO Commissioner has released the tax gap for high wealth private groups, a global first for tax administrations. The gap is estimated to be 7.7 per cent or $770 million for high wealth companies and individuals who voluntarily report and pay more than $9 billion in income tax. This estimate compares with a 12.5 per cent gap for small businesses and a gap of 4.4 per cent for large companies.  Common errors observed by the ATO include:   * not correctly recording or reporting transactions that are outside the normal course of business * not correctly accounting for private use of business funds or assets * omitting domestic or foreign-sourced income, including distributions from related trusts and partnerships.   CPA Australia External Affairs General Manager Paul Drum [**said**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74ccb24553a3b77ae4b96f8fc5efdf09a62bd28c0485067cba0ddf0da67fd5befa2ad6d3167dc732dff49c86ccada841bb49) the new estimate would go a long way "to help ensure the public has confidence in the tax system”. He also [**noted**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc2d9d3fb692e0058f0e62b57ad475be8634ff4158734e4256892c2b0003b2e19cfb18cbee3327ebf8b3db2f3b6ee07b31)that “there are a number of areas identified as driving the tax gap in this segment, and while some is deliberate, much of the gap comes from misunderstanding or misapplication of what are often complex and ambiguous tax laws”. He called on Parliament and the ATO ensure that there is greater tax law clarity for all taxpayers regardless of their size.  **Super guarantee amnesty now law**  The [**Treasury Laws Amendment (Recovering Unpaid Superannuation) Bill 2019**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc957b3ea4534a57e055411cf911062f57a45008bf1da55b0f0b4d9b4d8212df6b445462bd8a8839efb5f43949d8d7f6d4) received assent as Act No 21 of 2020 on 6 March 2020.  The Act introduces a one-off amnesty for historical underpayment of superannuation guarantee (SG) that begins on 24 May 2018 and ends six months after the Bill receives assent, that is Sunday 6 September 2020. The amnesty only applies to SG shortfalls arising from 1 July 1992 to the March 2018 quarter, and not for subsequent quarters. The ATO [**advised**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc4740d62819e53495fedd927991f31e98d59c466d26cc22f1b4fadc04765b59aabdfbddf534a42378a097a176a6ba604e) that amnesty applications must be lodged and received by the ATO before 11.59pm on Monday 7 September. Its [**webpage**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc4740d62819e53495fedd927991f31e98d59c466d26cc22f1b4fadc04765b59aabdfbddf534a42378a097a176a6ba604e) also contains details on the eligibility conditions and how applications can be made.  The Act also limits the Commissioner’s ability to remit penalties for historical SG non-compliance, where an employer fails to make a voluntary disclosure during the amnesty.  The Tax Practitioners Board (TPB) is [**reviewing**](http://click.e.cpaaustralia.com.au/?qs=e50dc06693de74cc9bf1ebbfffd90c023b75c1ec17b38315404e19bac49777bbb682a0c4c2b7535379d68885cf0373721cf3afb3a886bd18)its specified BAS services instrument now that the super guarantee amnesty measure has become law. It will consider if the services in the instrument should be expanded to include additional services relating to superannuation guarantee contributions. This may include services relating to assisting clients in preparing and lodging superannuation guarantee statements and making payments under the super guarantee amnesty. |