



OUTCOME ACCOUNTING

CHARTERED ACCOUNTANTS AND BUSINESS ADVISORS

TaxWise®

Business News

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Summary of State and Territory 2021 COVID-19 financial support measures available to businesses

Since the onset of the COVID-19 pandemic, the Federal Government has been working with States and Territories to provide financial assistance to businesses affected by lockdowns and restrictions in COVID-19 hotspots.

There is a raft of new measures – many of which are helpful, but at the same time, confusing and convoluted – making it challenging to keep abreast of what's available.

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To help you navigate the 2021 COVID-19 financial support measures that are currently available to businesses, here is a handy snapshot and summary of the assortment of support measures and comparisons to identify their similarities and differences.

Snapshot: Key business support measures on offer

The key business support measures currently on offer around the country are:

- **NSW:** [COVID-19 Business Grant](#)
- **NSW:** [JobSaver](#)
- **NSW:** [Micro-business Grant](#)
- **NSW:** [Small business fees and charges rebate](#)
- **VIC:** [Small Business COVID Hardship Fund](#)
- **QLD:** [2021 COVID-19 Business Support Grant](#)
- **ACT:** [COVID-19 Business Support Grant](#)
- **ACT:** [COVID-19 Small Business Hardship Scheme](#) (opening soon)
- **SA:** [COVID-19 Business Support Grant — July 2021](#)
- **SA:** [COVID-19 Additional Business Support Grant](#)
- **TAS:** [Business Hardship – Border Closure Critical Support Grant](#)
- **WA:** [Small Business Lockdown Assistance Grant: Round Two, June 2021](#)
- **NT:** [Territory Business Lockdown Payment Program – Lockdown \(round 2\) payment](#)

Summary: State and Territory 2021 COVID-19 business support measures

This summary sets out the key features and conditions of the State and Territory COVID-19 financial support measures currently available to businesses across Australia.

The hyperlinked information for each measure will take you to the landing page where you can find guidance, terms and conditions, further information on eligibility and online application forms.

This information is current as at 11:00am on 26 August 2021.

NSW COVID-19 Business Grant	
Amount	\$7,500 to \$15,000
Program open	19 July 2021 to 13 September 2021
Aggregated turnover	\$75,000 to \$50m in 2019–20
Decline in turnover (DIT)	<p>≥ 30%, ≥ 50%, ≥ 70% in minimum 2-week period from 26 June 2021 to 17 July 2021</p> <p>(27 May 2021 to 17 July 2021 for Southern Border businesses)</p> <p>Compared with:</p> <ul style="list-style-type: none"> • Same period in 2019 • Same period in 2020 • 12–25 June 2021

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Other key conditions	<ul style="list-style-type: none"> Maintain 13 July 2021 headcount Wages no more than \$10m Business costs incurred from 1 June 2021 to 17 July 2021
More information	Service NSW website
NSW JobSaver	
Amount	<ul style="list-style-type: none"> Employing: \$1,500 to \$100,000 per week Non-employing: \$1,000 per week
Program open	26 July 2021 to 18 October 2021
Aggregated turnover	\$75,000 to \$250m in 2019–20
Decline in turnover (DIT)	<p>≥ 30% from 26 June 2021</p> <p>Compared with:</p> <ul style="list-style-type: none"> Same period in 2019 Same period in 2020 12–25 June 2021
Other key conditions	<ul style="list-style-type: none"> Maintain 13 July 2021 headcount Capped at 40% of NSW Weekly Payroll
More information	Service NSW website
NSW JobSaver extension for larger businesses in tourism, hospitality and recreation industries	
Amount	<p>Aggregated annual turnover of:</p> <ul style="list-style-type: none"> More than \$250m to \$500m: up to \$300,000 per week* More than \$500m to \$1b: up to \$500,000 per week* <p>* Fortnightly payments will be backdated to the start of the month in which the business first experienced the required decline in turnover on or after the commencement of JobSaver on 18 July 2021.</p>
Program open	<ul style="list-style-type: none"> Can apply from 26 August 2021 (backdated to 18 July 2021) to 18 October 2021 Applications will be manually assessed
Aggregated turnover	More than \$250,000 to \$1b in 2019–20
Decline in turnover (DIT)	<p>Aggregated annual turnover of:</p> <ul style="list-style-type: none"> More than \$250m to \$500m: ≥ 50% More than \$500m to \$1b: ≥ 70% <p>Minimum 1-month period within the lockdown (commenced 26 June 2021) compared with the same period in 2019 or another agreed period</p>

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Other key conditions	<ul style="list-style-type: none"> Maintain headcount from the day immediately prior to the month they first experienced the required DIT Capped at 40% of NSW Weekly Payroll
More information	Service NSW website
NSW Micro-business Grant	
Amount	\$1,500 per fortnight
Program open	26 July 2021 to 18 October 2021
Aggregated turnover	More than \$30,000 to less than \$75,000 in 2019–20
Decline in turnover (DIT)	<p>≥ 30% from 26 June 2021</p> <p>Compared with:</p> <ul style="list-style-type: none"> Same period in 2019 Same period in 2020 12–25 June 2021
Other key conditions	Maintain 13 July 2021 headcount
More information	Service NSW website
NSW Small business fees and charges rebate	
Amount	\$1,500 digital voucher
Program open	April 2021 to 30 June 2022
Aggregated turnover	—
Decline in turnover (DIT)	—
Other key conditions	<ul style="list-style-type: none"> Wages no more than \$1.2m Fees and charges from 1 March 2021 to 30 June 2022
More information	Service NSW website
Victorian Small Business COVID Hardship Fund	
Amount	\$14,000
Program open	Closes until earlier of exhaustion of program funds or 10 September 2021
Aggregated turnover	—

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Decline in turnover (DIT)	<p>≥ 70%</p> <p>Minimum 2-week period from 27 May 2021 to 10 September 2021</p> <p>Compared with:</p> <ul style="list-style-type: none"> • Trading in 2019 — 27 May 2019 to 10 September 2019 • Not trading in 2019 — 1 February 2021 to 28 July 2021
Other key conditions	<ul style="list-style-type: none"> • Victorian payroll no more than \$10m in 2019–20 • Registered for GST on and from 28 July 2021
More information	Business Victoria website
Queensland 2021 COVID-19 Business Support Grant	
Amount	<ul style="list-style-type: none"> • Small: \$10,000 • Medium: \$15,000 • Large (tourism and hospitality businesses only): \$30,000
Program open	16 August 2021 to 16 November 2021
Aggregated turnover	More than \$75,000
Decline in turnover (DIT)	<p>≥ 30% Nominated 7-day period (must include at least 1 full day of a lockdown event)</p> <p>Compared with:</p> <ul style="list-style-type: none"> • Same 7-day period in July/August 2019 • Same period in July/August 2020
Other key conditions	<ul style="list-style-type: none"> • Small: annual payroll less than \$1.3m • Medium: annual payroll \$1.3m–\$10m • Large: annual payroll more than \$10m • Must be registered for GST
More information	Business Queensland website
ACT COVID-19 Business Support Grant	
Amount	<ul style="list-style-type: none"> • Employing: Up to \$10,000 • Non-employing: Up to \$4,000
Program open	26 August 2021 to 7 August 2021
Aggregated turnover	More than \$75,000
Decline in turnover (DIT)	≥ 30% over a consecutive period of 7 days during the 3-week lockdown period compared with a comparable 7-day period in April 2021 to August 2021

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Other key conditions	Must be registered for GST Australian payroll must be less than \$10m
More information	ACT Government website
ACT COVID-19 Small Business Hardship Scheme	
Amount	Up to \$10,000 in form of credit for: <ul style="list-style-type: none"> • Payroll tax • Utilities • Rates • Range of business licence fees and charges
Program open	Opening soon
Aggregated turnover	\$30,000 to \$10m
Decline in turnover (DIT)	≥ 30%
Other key conditions	TBA
More information	ACT Government website
SA COVID-19 Business Support Grant — July 2021	
Amount	<ul style="list-style-type: none"> • Employing: \$3,000 • Non-employing: \$1,000
Program open	29 July 2021 to 30 September 2021
Aggregated turnover	\$75,000 or more
Decline in turnover (DIT)	≥ 30% in the week of 20 July 2021 to 26 July 2021 (inclusive) compared to the prior week
Other key conditions	Must be registered for GST Australian payroll must be less than \$10m if employing
More information	SA Department of Treasury and Finance website
SA COVID-19 Additional Business Support Grant	
Amount	<ul style="list-style-type: none"> • Employing: \$3,000 • Non-employing: \$1,000 <p>Plus further \$1,000 if operate from a commercial premise in the Adelaide CBD</p>
Program open	13 August 2021 to 17 October 2021

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Aggregated turnover	No minimum turnover
Decline in turnover (DIT)	≥ 30% over the 2 weeks from 28 July 2021 to 10 August 2021 compared to average fortnightly turnover in the June 2021 quarter
Other key conditions	Must be registered for GST Australian payroll must be less than \$10m if employing
More information	SA Department of Treasury and Finance website
Tasmanian Business Hardship – Border Closure Critical Support Grant	
Amount	<ul style="list-style-type: none"> • Sole traders/Small: \$2,000 • Small employing: \$5,000 • Medium: \$10,000
Program open	17 August 2021 to 16 September 2021
Aggregated turnover	<ul style="list-style-type: none"> • Sole trader/Small: \$50,000 or more • Small employing: More than \$100,000 to \$1m • Medium: More than \$1m to \$10m
Decline in turnover (DIT)	≥ 30% from 26 June 2021 to 13 August 2021 Compared with 8 May 2021 to 25 June 2021
Other key conditions	Registered 'for tax purposes'
More information	Business Tasmania website
WA Small Business Lockdown Assistance Grant: Round Two, June 2021	
Amount	\$3,000
Program open	Closes 31 August 2021
Aggregated turnover	\$75,000 or more
Decline in turnover (DIT)	≥ 30% from 29 June 2021 to 5 July 2021 Compared with prior week
Other key conditions	<ul style="list-style-type: none"> • Must be registered for GST • Australian payroll must be less than \$4m • Specified industries for Perth, Peel and Rottneest regions
More information	WA Small Business Development Corporation website

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NT Business Lockdown Payment Program – Lockdown (round 2) payment	
Amount	<ul style="list-style-type: none"> Lockdown payment 1: \$1,000 Lockdown payment 2: \$1,000 Extended closure payment for eligible businesses: \$1,000
Program open	<ul style="list-style-type: none"> Lockdown payment 1: 28 June 2021 to 20 August 2021 (closed) Lockdown payment 2: 17 August 2021 to 27 August 2021
Aggregated turnover	\$75,000 to less than \$10m
Decline in turnover (DIT)	≥ 50%
Other key conditions	Must have a valid ABN Fewer than 20 full-time equivalent employees
More information	Business Recovery Northern Territory website

Common exclusions

- Businesses located or operating outside of the relevant State or Territory
- Businesses such as sole traders who are eligible to receive the Commonwealth Disaster Payment
- Businesses for which the primary or only (varies between States) source of income is passive (rent, dividends, interest)
- Eligible for another business grant.

Use of business grant funds

- Meeting business costs, including utilities, salaries, rent
- Seeking financial, legal or other advice to support business continuity planning
- Developing the business through marketing and communications activities
- Other supporting activities related to the operation of the business.



Do you need to pay tax on COVID-19 financial support payments that you receive?

There are a number of different schemes providing government help for businesses affected by the COVID-19 pandemic.

If you receive assistance (whether from the Commonwealth or a State or Territory government), you may be wondering if you need to pay tax on the assistance. Here is what the ATO website advises.

Assistance	Income tax treatment	GST treatment
COVID-19 Disaster Payment	Not taxable	N/A
JobKeeper	Taxable – but amounts paid to employees that are subsidised by JobKeeper are deductible (see below)	No GST
Pandemic Leave Disaster Payment	Taxable	N/A
Small business support payments	See below	No GST
Child Care Transition Payment	Taxable	No GST (GST-free supply)

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Creative Economy Support Payment	Taxable	No GST
Creative Economy Concessional Loan	Not taxable	No GST
Consumer Travel Support Program Grant	Taxable	No GST
State Government Voucher Subsidy Scheme Payment	Taxable	GST payable
Electricity rebate	Not taxable – but rebate reduces a business' deduction for electricity	No GST

Small business support payments

Government payments to assist a business to continue operating are generally taxable, whether provided as a one-off lump sum or a series of payments.

However, payments made under the COVID-19 business support programs listed below (eligible programs) are not taxable (they are what's called non-assessable non-exempt (**NANE**) income) if the recipient's aggregated turnover in the year they receive the payment is less than \$50 million.

NSW support programs

- 2021 COVID-19 Business Grant
- 2021 COVID-19 JobSaver Payment
- 2021 COVID-19 Micro-business Grant
- NSW Performing Arts COVID Support Package.

Victorian support programs

- Alpine Business Fund
- Alpine Resorts Support Program (Streams 1, 2 and 3)
- Business Continuity Fund
- Business Costs Assistance Program Round Two
- Business Costs Assistance Program Round 2 – July Extension
- Business Support Fund 3
- Impacted Public Events Support Program
- Independent Cinema Support Program
- Licensed Hospitality Venue Fund
- Licensed Hospitality Venue Fund 2021
- Licensed Hospitality Venue Fund 2021 – July Extension
- Live Performance Support Program
- Melbourne City Recovery Fund – Small business reactivation grants
- Outdoor Eating and Entertainment Package
- Small Business COVID Hardship Fund
- Sole Trader Support Fund
- Sustainable Event Business Program.

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Other support programs

If you receive a government support payment that is not listed above, then it is taxable (at least as at 25 August 2021). This includes:

- **QLD:** 2021 COVID-19 Business Support Grant
- **ACT:** COVID-19 Business Support Grant
- **SA:** COVID-19 Additional Business Support Grant
- **TAS:** Business Hardship - Border Closure Critical Support Grant
- **WA:** Tourism Business Survival Grants and payments under the Tourism and Travel
- **NT:** Payments under the Territory Business Lockdown Payment Program.

However, the Federal Government may declare any such payments to be non-taxable (by declaring the relevant program to be an eligible program).

Repayments of JobKeeper overpayments

If your business:

- has repaid or is repaying JobKeeper overpayments, the amount need not be included as assessable income in the business' tax return. If the overpaid amount has already been included in an earlier tax return, the return will have to be amended to reduce the assessable income by the repaid amount;
- doesn't need to repay JobKeeper overpayments because the ATO has waived them, the overpaid amounts have to be included as assessable income in the business' tax return.

Payroll tax relief

Where:

- no payroll tax is payable – the business will have a smaller allowable deduction in their tax return;
- a refund of payroll tax is paid – the allowable deduction for payroll tax will be less any refunds given.

There are no GST consequences.

Rent relief

If a business receives rent relief, its deduction for rent will be reduced. If the business is registered for GST, its entitlement to GST credits is reduced in proportion to the rent reduction.

Land tax relief

Land tax relief will result in a smaller allowable deduction. GST is not payable on the relief, but the GST payable on rent received by the landowner is reduced in proportion to the rent reduction given to the tenant.

Tip! Check with your tax adviser as to whether specific support government payments are taxable.



It's tax time again!

Your business has to lodge its income tax return for the 2020–21 income year by 31 October 2021 (unless you have a substituted accounting period). If you use a registered tax agent to lodge your return, it is likely that they can lodge the return at a later date, even as late as May 2022 in some cases.

Lodging a tax return

Are you a sole trader?

- Even if your income is below the tax-free threshold (\$18,200), you still need to lodge a tax return.
- Do you pay PAYG instalments? Lodge your activity statements and pay all your PAYG instalments before you lodge your tax return so your income tax assessment takes into account the instalments you've paid throughout the year.

Are you a partnership?

If you operate your business in a partnership:

- the partnership lodges the partnership tax return, reporting the partnership's net income or loss (assessable income less allowable deductions).

As an individual partner, you report on your individual tax return:

- your share of any partnership net income or loss
- any other assessable income, such as salary and wages, dividends and rental income.

The partnership doesn't pay income tax on the income it earns. Instead, you and each of the partners pay tax on the share of net partnership income (if any) you receive.

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Are you a trust?

- If you operate your business through a trust, the trust reports its net income or loss (this is the trust's assessable income less allowable deductions).
- The trustee is required to lodge a trust tax return.
- As a trust beneficiary, you report on your individual tax return any income you receive from the trust.

Are you a company?

- If you operate your business through a company, you need to lodge a company tax return.
- The company reports its taxable income, tax offsets and credits, PAYG instalments and the amount of tax it is liable to pay on that income or the amount that is refundable.

The company's income is separate from your personal income.

Tax losses

This has been a difficult year, and your business may have made a tax loss.

A tax loss is when the total deductions you can claim, excluding gifts, donations and personal super contributions, are greater than your total income for the income year.

If your business makes a tax loss, you may be able to:

- offset the loss in the same income year against other assessable income;
- carry forward the loss and claim it as a business deduction in a later income year; or
- carry the loss back to an earlier income year (but not before 2018–19) in which the business has an income tax liability and receive a tax offset (the loss carry back tax offset is available only to companies).

Meeting the 'non-commercial loss' tests

If you're a sole trader or in a partnership of individuals and want to offset a tax loss, first check if the business activity meets at least one of the 'commerciality' tests under the non-commercial loss rules. (Those rules do not apply to losses made by primary producers and professional artists whose income from other sources is less than \$40,000, or to losses made by companies and trusts.)

If you meet one of the 'non-commercial loss' tests, you can offset the loss against other assessable income (such as salary or investment income) in the same income year.

If you don't meet any of the 'non-commercial loss' tests, you can defer the loss or carry it forward to future years. For example, you can offset it when you next make a profit.

Non-commercial losses made by an individual whose adjusted taxable income exceeds \$250,000 are quarantined.

The rules for record keeping still apply when it's related to business losses. You need to keep records for 5 years for most transactions. However, if you fully deduct a tax loss in a single income year, you only need to keep records for 4 years from that income year.

Tip! Talk to your tax adviser about the best way to utilise tax losses.

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Personal services income

If you operate your business through a company or a trust, income earned by the company or trust from the provision of your personal services (personal services income or **PSI**) will be attributed to you unless:

- the company or trust is carrying on a personal services business (PSB); or
- the PSI was promptly paid to you as salary or wages.

The company or trust will be carrying on a PSB if at least one of a number of tests are satisfied. These are the:

- **Results test** (this is the primary test) — this is based on common law criteria for characterising an independent contractor (in contrast to an employee/employer relationship);
- **Unrelated clients test** — this requires the PSI to be earned from at least two unrelated clients who contract your services as a direct result of making offers or invitations (for example, by advertising) to the public to provide your services;
- **Employment test** — this requires at least 20% (by market value) of your work to be performed by employees;
- **Business premises test** – this requires you to use business premises that meet certain conditions (eg you have exclusive use of the premises and the premises must be physically separate from any premises you use for private purposes).

If 80% or more of your PSI (with certain exceptions) is income from one client (or the client and their associate(s)) and the results test is not met, the company or trust will need to obtain a PSB determination from the ATO.

The company or trust cannot deduct amounts that relate to gaining or producing your PSI, unless you could have deducted the amount as an individual or the company or trust received the PSI in the course of carrying on a PSB.

Even if you don't use a company or trust to derive your PSI, there are limitations on the deductions that you may claim against your PSI. For example, you may not be able to deduct certain home office expenses, eg occupancy expenses such as mortgage interest or rent.

Tip!

The PSI rules are complicated, so talk to your tax adviser if you provide your services through a company or trust.

Home office

A lot more people are working from home because of the COVID-19 pandemic. If you operate your business from a home office, you can deduct the expenses of running that office. A home office is a room in your home that is used exclusively (or almost exclusively) for business activities.

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Expenses you can claim a deduction for include:

- **Occupancy expenses** – these include rent, mortgage interest, water rates, land taxes and house insurance premiums. Occupancy expenses are usually calculated by apportioning the expenses between the home office and the rest of the property on a floor area basis (there can be capital gains tax implications when you sell your home if you have claimed occupancy expenses);
- **Running expenses** – these are the increased costs from using your home for your business, including electricity or gas charges for heating, cooling and lighting, cleaning costs and the decline in value and the cost of repairs of depreciating assets such as furniture, furnishings and equipment; and
- **Work-related phone and internet expenses**, including the decline in value of the handset – an apportionment will be required if the phone or computer is not used exclusively for work.

To make it easier for people to claim deductions for working from home due to the COVID-19 pandemic, the ATO allows a rate of 80 cents per hour for running expenses incurred from 1 March 2020 until 30 June 2021. Under this 'shortcut' method, you don't need a dedicated work area in your home. You need to have kept a record of the hours you have worked from home, such as a diary. Of course, you can still make a claim based on your actual running expenses if it produces a larger deduction.

Tip!

If you have a home office, talk to your tax adviser about how to calculate your deduction and the records you must keep.

Company tax rate

The standard company tax rate is 30%.

The tax rate for 2020–21 for companies whose aggregated annual turnover is less than \$50m and whose passive income is not more than 80% of the total assessable income (called 'base rate entities') is 26%. The rate reduces to 25% for 2021–22 and future income years.

If more than 80% of a company's assessable income is 'base rate entity passive income' (eg dividends, rent, interest, royalties and net capital gains), or its aggregated annual turnover is \$50m or more, the company's taxable income will be taxed at the standard 30% rate.

Small business income tax offset

If you are a sole trader, an individual who is a partner in a business partnership or an individual who is a beneficiary of a trust that carries on a business, you may qualify for the small business income tax offset if the business' turnover is less than \$5 million (yes, \$5 million and not the general \$10 million small business threshold). The offset is not available to an individual acting as a trustee of a trust.

The tax offset for 2020–21 is equal to 13% of the income tax payable on the sole trader's or other individual's taxable income that qualifies as their net small business income (the offset rate is 16% for 2021–22). The offset is capped at \$1,000.

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Taxable payments annual report

Businesses that pay contractors or sub-contractors for certain services may need to lodge a taxable payments annual report (**TPAR**) with the ATO. The services are:

- building and construction services;
- cleaning services;
- courier or road freight services;
- IT services; and
- security, investigation, or surveillance services.

The TPAR for 2020–21 should have been lodged by 28 August 2021.



What were some of the more significant 2020–21 tax changes for businesses?

Temporary full expensing of depreciating assets

This is an outright deduction for the cost of a depreciating asset first acquired after 7:30pm on 6 October 2020 and first used, or installed ready for use, by 30 June 2022 (although the Federal Government has announced a 12-month extension to 30 June 2023).

It is important to note that:

- The asset must be located in Australia and principally used in Australia;
- Small and medium businesses (aggregated turnover of less than \$50 million), but not larger businesses, can use temporary full expensing for second-hand assets;
- Temporary full expensing is not available if your business disposes of the asset in the same income year you acquire it;
- Your business can opt out of temporary full expensing for an income year on an asset-by-asset basis, unless your business is a small business entity that uses the simplified depreciation rules.

A consequence of temporary full expensing is that, in 2020–21 and 2021–22 (and 2022–23 when the 12-month extension for temporary full expensing becomes law), small business entities must deduct the full amount of the balance of its general small business pool (provided it is greater than zero).

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Loss carry back

A company (but not a sole trader, trust or partnership) can carry back a tax loss made in the 2019–20, 2020–21 or 2021–22 income year to an earlier income year (but not before 2018–19). This will generate a refundable tax offset called a 'loss carry back tax offset'. This is an alternative to carrying a tax loss forward to set off against profits in a future tax year.

The Government has announced that the loss carry back will be extended by 12 months so that a company will also be able to carry back a tax loss made in the 2022–23 income year.

Medium businesses

A medium business is one whose aggregated turnover is at least \$10 million but less than \$50 million. The following small business concessions were extended to medium businesses from 2020–21:

- the prepayment rules; and
- the immediate deduction for certain start-up expenses.

As noted above, other small business concessions started to apply to medium businesses from 1 July 2021.



What's new?

Tax changes from 1 July 2021

A number of changes apply from 1 July 2021. These include:

- Medium businesses (aggregated turnover of at least \$10 million but less than \$50 million) can use the **simplified trading stock rules**, the GDP-adjusted notional tax method to work out PAYG instalments and the simplified GST accounting method.
- **Single Touch Payroll (STP) reporting:**
 - STP applies to small employers (1–19 employees) in relation to closely-held payees (eg family members and directors and shareholders if the employer is a company); and
 - The quarterly reporting concession for micro employers (1–4 employees) only applies to employers who report through a registered tax professional and where exceptional circumstances exist.

Note that STP Phase 2 (requiring employers to provide additional payroll information through STP) begins on 1 January 2022.

- **Amending assessments** – the standard time limit for amending assessments is reduced from 4 years to 2 years for medium businesses (applicable for income years commencing on or after 1 July 2021) – this is the same as for small businesses.
- Superannuation guarantee – the **superannuation guarantee charge percentage** increased to 10% (it is legislated to gradually increase each year until 1 July 2025 when it

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becomes 12%). The maximum contribution base for 2021–22 increased to \$58,920 (from \$57,090).

- **R&D tax offset** – changes in how the offset is calculated, an increase in the expenditure threshold from \$100 million to \$150 million and new clawback rules.
- **Film incentives** – once the relevant legislation is passed by Parliament, some of the rules about qualifying Australian production expenditure (**QAPE**) will change, the producer offset for films that are not feature films released in cinemas will increase to 30% of total QAPE and there will be various threshold and integrity changes across the 3 different offsets (location, producer, Post, Digital and Visual Effects (PDV)).

FBT changes

- Exemptions – the **fringe benefits tax (FBT) exemptions** for car parking and work-related electronic devices available to small businesses have been extended to medium businesses (aggregated turnover of at least \$10 million but less than \$50 million) from 1 April 2021.
- Retraining – **retraining and reskilling benefits** provided by an employer to redundant employees to enable them to obtain new employment are exempt from FBT, provided the employer complies with any redundancy obligations under the *Fair Work Act 2009*. The exemption does not extend to relatives of the employer or, if the employer is a company, shareholders, directors and their relatives. The exemption does not cover tertiary education fees and HELP loan repayments.

Tip!

Contact your tax adviser to find out about any changes that might affect your business.

No GDP adjustment for 2021–22

The GST and PAYG instalment amounts are usually adjusted every year using a formula known as the gross domestic product (GDP) adjustment.

However, the ATO has announced that the GDP adjustment to work out quarterly GST and PAYG instalment amounts for the 2021–22 income year is nil. It was also nil for 2020–21.

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Key tax dates

Date	Obligation
21 Sep 2021	August monthly BAS due
30 Sep 2021	Finalisation due date by payers of PAYG withholding payments reporting through STP for closely held payees
21 Oct 2021	September monthly BAS due Payment of annual PAYG instalment for 2020–21
28 Oct 2021	September quarter BAS due Payment of first PAYG instalment for 2021–22 by quarterly payers
31 Oct 2021*	2020-21 income tax return due
	PAYG withholding annual reports due (no ABN withholding; interest, dividend and royalty payments paid to non-residents; and payments to foreign residents)
21 Nov 2021*	October monthly BAS due

* These dates fall on a Sunday, so the due date is the next business day.

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