



Tricor Services (Australia) Pty Ltd

19 March 2020

COVID-19 Update for Businesses

As the situation with COVID-19 continues to evolve and the advice to businesses changes, we will endeavour to keep you up to date.

The most recent announcements on assistance by the State Governments for businesses are as follows:

New South Wales (NSW)

The NSW Government announced a A\$1.6b business support package, including payroll tax waivers and fast-tracking of payroll tax cuts to provide relief to NSW SME's impacted by COVID-19. Measures include:

- A\$450m for the waiver of payroll tax for businesses with payrolls of up to A\$10m for three months (the rest of 2019-20 financial year). This means these businesses will save a quarter of their annual payroll tax bill in 2020-21.
- A\$56m to bring forward the next round of payroll tax cuts by raising the threshold limit to A\$1m in 2020-21.
- A\$80m to waive a range of fees and charges for small businesses including bars, cafes, restaurants and tradesmen.

Queensland

The Queensland Government announced its support measures, these include:

- Extending payroll tax relief to businesses affected by COVID-19. Lodgement and payment of payroll tax returns can be deferred until 3 August 2020.
- New A\$500m loan facility, interest-free for the first 12 months, to support businesses in keeping their workforce.

Western Australia

The Western Australian government announced approximately A\$114m has been allocated to support small and medium sized business, these measures include:

- Payroll tax – A one-off grant of A\$17,500 will be paid automatically to businesses with annual Australian taxable wages of between A\$1m and A\$4m. In the case of employers grouped for payroll tax purposes, a single grant will be paid to the designated group employer.
- Fast-track additional payroll tax relief for small businesses, with the payroll tax threshold increasing to A\$1m from 1 July 2020, six months earlier than planned.
- SME's that pay A\$7.5m or less in Australian Taxable Wages and have been directly or indirectly impacted by COVID-19 can now apply to defer payment of their 2019-20 payroll tax until 21 July 2020.

Tasmania

The Tasmanian Government has announced a range of stimulus measures for small businesses targeted at the hospitality, tourism, seafood and exports sectors. Measures include:

- Payroll tax waived for the last four months of this financial year for hospitality, tourism, seafood and other businesses.
- A\$20m in interest-free loans to the hospitality, tourism, seafood and exports sectors.

Northern Territory (NT)

The NT Government announced a A\$60m stimulus package to encourage spending towards businesses upgrades and home renovations.

Victoria, South Australia, Australian Capital Territory

The above mentioned States and Territories have yet to officially release or provide details about their stimulus measures.

Australian Taxation Office (ATO) Support Measures

On 12 March 2020, the ATO introduced a number of support measures to assist those that are affected by COVID-19. Please note these measures are not automatically granted and a request will need to be submitted to the ATO.

- Deferring, by up to four months, the payment date of amounts due through the business activity statement (including PAYG installments), income tax assessments, fringe benefits tax assessments and excise.
- Allow 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) installment amounts to zero for the March 2020 quarter. Businesses that vary their PAYG installment to zero can also claim a refund for any installments 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.

Additional details regarding the support measures are available at (<https://www.ato.gov.au/Media-centre/Media-releases/Support-measures-to-assist-those-affected-by-COVID-19/>).

Government proposals do not become law until their enactment and may be modified by Parliament before enactment.

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