



13 March 2020

Subject: COVID-19 Economic stimulus package

Dear Valued Client,

The Government has announced on the 12th March 2020, a \$17.6 billion economic plan to assist in supporting the economic effects of the coronavirus (COVID-19) outbreak.

This stimulus economic plan includes 4 key areas as summarised below:

Household stimulus package to benefit the wider economy

- One off \$750 payment to social security, veteran and other income support recipients and eligible concession card holders.

Businesses investment support

- Instant asset write-off threshold increased from \$30,000 to \$150,000 for businesses with aggregated turnover of less than \$500M.
- 15 month investment incentive (through to 30 June 2021) to support businesses investing in asset installation (50% deduction).

Business cashflow assistance

- Between \$2,000 and \$25,000 in cash flow assistance to support retaining staff for small businesses by reducing PAYG withholding to 50% for six months.
- 50% wage subsidies for businesses with trainees/apprentices for up to nine months from 1 January 2020 to 30 September 2020.

For regions

- Up to \$1B in support for regions affected by Coronavirus including one off ad hoc ATO grants.

This package will be moved through Parliament in the final week of March 2020. For further details, please visit the [government website](#).

ATO update:

In the wake of the governments \$17.6 billion stimulus package, the ATO has now signalled a flexible approach in the way it will handle taxpayers affairs over the coming months. They are looking at implementing the following:

- 4 month deferral of the payment date of amounts due through the business activity statement, including PAYG instalments, income tax assessments and fringe benefits tax assessments
- The ATO will also look to remit any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities, and allow affected businesses to pay their existing and ongoing tax liabilities by allowing them to enter into low-interest payment plans.

If your business has been impacted, we are here to assist. As we work on preparing your February and March 2020 IAS's and BAS's we will determine which of the above your business is eligible for and communicate this with you.

Should you have any concerns at all or questions you wish to discuss with our accountants or advisers, please don't hesitate to call our office on 03 9894 3449.

Stay well and take care.

Regards,

Prime Time Advisory

Disclaimer: This newsletter contains general information only. The information contained in this communication is not designed to be a substitute for professional advice as such a brief guide cannot consider and cover all individual needs, objectives, circumstances and conditions applying to the law as it relates to these items mentioned in this article. No responsibility can be accepted for errors, omissions or possible misleading statements or for any decisions or actions taken as a result of any material in this communication. Appropriate expert advice should always be considered from a professional financial adviser prior to making any financial decisions.