

## CORONA VIRUS STIMULUS PACKAGE – 23/3/2020

### FUNDING AVAILABLE FOR BUSINESSES

#### ***1. Cashflow assistance package for Business that employ staff***

This is paid as a credit against the client ATO Integrated client account.

It is only paid as a cash payment if it puts the business into a refund position.

Maximum credit is \$100,000

Minimum credit is \$20,000

***The package is split into 2 components.***

#### **The first component has a maximum credit of \$50,000 and a minimum of \$10,000**

How is it calculated?

A. For monthly PAYG withholding lodgers

- Credit on the March 2020 activity statement = to 3 times the March PAYG withholding figure (to account for the months of January and February)
- Credit for Monthly PAYG withholding for the months of April, May and June 2020
- The credit is capped at \$50,000 for the period January to June 2020.

B. For Quarterly PAYG Withholding lodgers

- Credit for the March 2020 ¼ PAYG withholding
- Credit for the June 2020 ¼ PAYG Withholding
- The credit is capped at \$50,000 for the period January to June 2020.

The minimum credits of \$10,000 will be credited upon lodgement of the March Business Activity Statement

#### **The second component also has a maximum credit of \$50,000 and a minimum of \$10,000**

How is it calculated?

The amount payable is an amount equal to the total credited in first component and credited as follows:

A. For Monthly PAYG Withholding lodgers

Credit for ¼ of the first component when each of the June, July, August and September 2020 activity statements are lodged

B. For Quarterly PAYG Withholding lodgers

Credit for ½ of the first component when each of the June and September 2020 activity statements are lodged

The ATO will process the credit upon lodgement of the activity statements.

The minimum credits of \$10,000 will be credited upon lodgement of the June 2020 BAS of \$5,000 and September 2020 of \$5,000.

## **2. Payroll Tax Waived**

Businesses with annual taxable wages up to \$3 million will have their payroll tax for the 2019/20 year waived.

The eligibility threshold applies to each employer, so any member of a group with taxable wages of less than \$3 million per annum will be eligible for the relief.

Eligible businesses must continue to lodge payroll tax returns but do not need to make further payments. Any amounts paid for the 2019/20 year will be reimbursed commencing on 27 March 2020.

Payroll tax can also be deferred for the first ¼ of the 2020/21 year.

## **3. Government supported loan scheme**

**Eligibility** – Businesses with turnover up to \$50 million

The unsecured loans are to fund working capital

The Government will provide eligible lenders with a guarantee for loans with the following terms:

- Maximum total size of loans of \$250,000 per borrower.
- The loans will be up to three years, with an initial six-month repayment holiday.
- The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan.

Loans will be subject to lenders' credit assessment processes with the expectation that lenders will look through the cycle to sensibly take into account the uncertainty of the current economic conditions.

The scheme will commence early April 2020 and be available for new loans made by participating lenders until 30 September 2020.

## **4. Supporting Apprentices and Trainees**

**Eligibility** – Small businesses employing fewer than 20 full time employees who retain an apprentice or trainee and the apprentice/trainee was in training as at 1 March 2020.

Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage for 9 months from 1 January 2020 to 30 September 2020.

Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice. Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

Employers can register for the subsidy from early April 2020 and final claims must be lodged by 31 December 2020.