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EXPANDING ACCESS TO SMALL BUSINESS TAX CONCESSIONS TO SUPPORT JOBS

The Morrison Government is continuing to support businesses through COVID-19 by providing further tax relief to attract and retain workers and reduce red-tape as part of our economic recovery plan.

For the first time, businesses with an aggregated annual turnover between \$10 million and \$50 million will have access to up to ten small business tax concessions. The changes are estimated to support an additional 20,000 businesses and their employees.

The expanded concessions, as part of the 2020-21 Budget will apply in three phases:

- From 1 July 2020, eligible businesses will be able to immediately deduct certain start-up expenses and certain prepaid expenditure.
- From 1 April 2021, eligible businesses will be exempt from the 47 per cent fringe benefits tax on car parking and multiple work-related portable electronic devices, such as phones or laptops, provided to employees.
- From 1 July 2021, eligible businesses will be able to access the simplified trading stock rules, remit pay as you go (PAYG) instalments based on GDP adjusted notional tax, and settle excise duty and excise-equivalent customs duty monthly on eligible goods. Eligible businesses will also have a two-year amendment period apply to income tax assessments for income years starting from 1 July 2021.

In addition, from 1 July 2021, the Commissioner of Taxation's power to create a simplified accounting method determination for GST purposes will be expanded to apply to businesses below the \$50 million aggregated annual turnover threshold.

This announcement builds on the extensive support provided for small and medium sized businesses during the COVID-19 crisis that has included JobKeeper, extending the Instant Asset Write Off, providing a Cash Flow Boost of up to \$100,000 for employing small businesses, and boosting access to capital through our COVID-19 SME loan Guarantee Scheme.

Small business is the backbone of our economy. The Morrison Government will continue to support our small and medium sized businesses as part of our economic recovery plan.

Ends