

March 2020

Corona Virus Pandemic

As you would be aware, work practices and social interactions are being heavily impacted by COVID 19. At Hobbs & Associates we are taking this challenge seriously.

We are working as per usual with some safeguards. However, we are cognisant of the public alerts in place. Following this advice we would prefer not to have face to face meetings, the preference is for phone and email contact and if possible phone appointments.

We do understand that documents etc are to be dropped off and picked up and we expect that to continue. Hand sanitiser will be available for clients' and employees' convenience when entering or exiting the office.

There are some stimulus programs underway that have been put forward by government:

The **Small Business instant asset write-off** threshold will be increased from \$30,000 to \$150,000 from 12 March 2020 until 30 June 2020. This will be available to businesses who have turnover less than \$500 million. The write-off works so that taxable income will be reduced by the value of the asset – your tax benefit shall be determined by your marginal tax rate. If you were paying no tax before claiming the immediate write-off then there will be no tax benefit.

For employers there is a reduction in BAS payable or increase in BAS refund up to \$25,000 for eligible small and medium businesses (i.e. with a turnover of less than \$50 million that employ staff) based on their PAYG withholding obligations. Fifty per cent of PAYG W for the period 1 January 2020 to 30 June 2020 goes towards that \$25,000 limit and the amount that is rebated is not treated as taxable income.

Also a wage subsidy of 50% of the apprentice's or trainee's wage for up to nine months from 1 January 2020 to 30 September 2020, is available for those employers who have employees in training as at 1 March 2020.

The following link contains more information

https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Assistance_for_businesses.pdf

Queensland government support so far is **interest free loans for 12 months** then low interest to pay employees

<https://www.business.qld.gov.au/starting-business/advice-support/support/novel-coronavirus>

We are working through our clients to determine who will most be able to benefit from these opportunities and will be in touch. **Feel free to email if you wish to make sure that your business is on our list.**

This article provides general information only. Please do not rely upon it as it does not address individual circumstances. No guarantee or warranty of any sort is given. For more specific advice please consult your financial adviser or taxation adviser.

March 2020