

# 2020 Economic Stimulus Package

*A second stimulus package was announced on 22 March 2020, for the latest details please [click here](#)*

With Corona Virus having an unprecedented impact on the global economy, today the Australian Government announced a \$17.6 billion economic plan to support business and the Australian economy.

Here's a snapshot of how it will help you and your business

## Accelerated Depreciation

- The Instant asset threshold will increase from \$30,000 to **\$150,000 for equipment purchases** such as Truck, Machinery purchased up until 30 June 2020
- Businesses will be able to deduct an additional 50 per cent of the asset cost in the year of purchase. This will apply for equipment purchases up until 30 June 2021

Both these measures start 12 March 2020 for Businesses with a turnover of less than \$500 million.

## Cash flow assistance for businesses

- There will be a Cash Flow Boost for Employers with **up to \$25,000** (minimum payment of \$2,000) for eligible small and medium-sized businesses.
  - The payment will provide cash flow support to businesses with a turnover of less than \$50 million that employ staff, between 1 January 2020 and 30 June 2020. **The payment will be tax free.**
  - Businesses will receive payments of 50 per cent of

their PAYG Withholding (tax on wages) on the Business Activity Statements or Instalment Activity Statement from 28 April with refunds to then be paid within 14 days.

- For small businesses with apprentices and trainees, eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage for up to 9 months from 1 January 2020 to 30 September 2020.

## **Stimulus payments to households to support growth**

- A one-off \$750 stimulus payment for pensioners, social security, veteran and other income support recipients and eligible concession card holders. **The payment will be tax free** and will not count as income for Social Security, Farm Household Allowance and Veteran payments. There will be one payment per eligible recipient. If a person qualifies for the one off payment in multiple ways, they will only receive one payment.

Payments will be from 31 March 2020 on a progressive basis, with over 90 per cent of payments expected to be made by mid-April.

## **Assistance for severely-affected regions**

- \$1 billion to support those sectors, regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including those heavily reliant on industries such as tourism, agriculture and education.

These changes have not been legislated yet, and we expect to have more information about the finer details in the coming weeks.

To discuss how these announcements will affect your business, please contact our office.

## **More information**

- [Media release – Economic Stimulus Package](#)
- [Press conference transcript](#)
- [Economic Response to the Coronavirus](#)
- [ATO Support measures to assist those affected by COVID-19](#)