



BATEY VIGORS

ACCOUNTANTS

Tax time 2020 and COVID-19 assistance

Happy new financial year!

The team at Batey Vigors Accountants returned to working in the office again in June so we are ready for the start of a new tax year.

The past 6 months has seen many legislation changes, challenges and subsidies offered. We have included some of the recent changes and announcements below to assist you.

\$3,000 Small Business COVID-19 Recovery Grant

The NSW Government has another \$3,000 COVID-19 grant available for eligible small businesses to assist with the costs of safely reopening or up-scaling operations.

To be eligible the business needs to be in their list of highly impacted industries which can be found in the below link:

<https://www.service.nsw.gov.au/small-business-covid-19-recovery-grant-guidelines#attachment-a-list-of-highly-impacted-industries>

For further details regarding the grant including guidelines, eligibility and applying please use the link below:

<https://www.service.nsw.gov.au/transaction/apply-small-business-covid-19-recovery-grant>

Applications are made through the Service NSW website and **close on Sunday 16 August**.

Work related expenses

Due to different working arrangements as a result of COVID-19, there may be changes in what you can claim as a tax deduction this year.

For example if you have been working from home as a result of COVID-19 you may be able to claim working from home expenses. The ATO have different ways to determine your deduction.

The following links have more information in relation to:

- working from home during COVID-19

<https://www.ato.gov.au/general/covid-19/support-for-individuals-and-employees/employees-working-from-home/#>

- work related expenses – including occupation guides and other deductions

<https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/>



Keeping records of your claims

It's important that all records are retained for claims with the ATO as they may request substantiation to support your claims. The ATO also have an app available to enable you to keep your receipts digitally rather than paper form.

Below is a link for more information from the ATO regarding substantiation requirements and the ATO myDeductions app:

<https://www.ato.gov.au/individuals/income-and-deductions/records-you-need-to-keep/>

JobKeeper Payment

A reminder that if your business qualified to enrol for JobKeeper, to enable your business to receive the payments you need to keep completing monthly declarations by 14th of each month until the end of the JobKeeper period.

Once your business becomes eligible and enrolled in the JobKeeper program you don't need to continue to satisfy the drop in turnover requirements. Even if your business income has increased you are still able to claim the JobKeeper payments until the program ends (currently September 2020).

If your business has only recently experienced a 30% drop in turnover you can still apply for JobKeeper Payments. If you are unsure how to determine your eligibility please contact us.

For more information below is a link for the ATO website:

<https://www.ato.gov.au/general/jobkeeper-payment/>

Payroll year end – the end of PAYG Payment Summaries

With the 2020 tax year now behind us, for employers it's time to ensure your payroll reporting is completed.

Most employers will now be reporting wages via Single Touch Payroll (STP) and won't be preparing **PAYG Payment Summaries** this year. Instead they will be providing an **Income Statement** which will have all your payroll information for your tax return. Before your tax return can be completed your Income Statement will need to be 'tax ready' – which means employers have completed their finalisation.

If you are an employer with employees it is important that you have **reconciled your wages** with your STP reporting before you complete your finalisation with the ATO. If you are having difficulty reconciling please don't hesitate to contact us for assistance.

For employees, once an Income Statement is tax ready you don't need to bring us your income details, we will be able to access it via the ATO Tax Agent Portal.

For more information below is a link for the ATO website:

https://www.ato.gov.au/Individuals/Working/Working-as-an-employee/Accessing-your-payment-summary/?=redirected_incomestatement

Extension of the \$150,000 Instant Asset Write-off

For businesses looking to purchase business assets, the increase of the instant asset write-off threshold to \$150,000 has been extended until 31st December 2020. If you are considering purchasing new business equipment please contact us to discuss if this is a benefit for you.

<https://www.ato.gov.au/Business/Depreciation-and-capital-expenses-and-allowances/Simpler-depreciation-for-small-business/Instant-asset-write-off/>

Workers Compensation Declarations and JobKeeper payment

If your business receives JobKeeper payment for your employees and their wages included a topup payment, the topup amount isn't included in your actual wages calculation.

The following icare website link has more information regarding what to include in your actual wages calculation:

<https://www.icare.nsw.gov.au/wages#gref>

Commercial Tenancies

If you are Landlord or Tenant in NSW in a commercial property and are affected by COVID-19, the NSW Government website has details of options that may assist including Rent relief agreements and Land Tax relief. The following link has more details:

https://www.nsw.gov.au/covid-19/businesses-and-employment/financial-assistance/taxes-fees-leases-and-operating-hours?utm_source=NSW%20Gov&utm_medium=email&utm_campaign=BusCOVIDeDM2&utm_term=COVID%20Safe%20Business&utm_content=button&#commercial-tenancies

NSW Government Free Mental Health Programs

The NSW Government is offering free mental health programs for workplaces with less than 200 employees. More information can be found in the below link:

<https://www.mentalhealthatwork.nsw.gov.au/>

Glenn and I look forward to seeing you all during the course of the next 12 months to prepare your 2020 tax work and assist with your tax and accounting needs.

If you have any questions or need further clarification in relation to the above please don't hesitate to contact us.