

2020-21 FEDERAL BUDGET SNAPSHOT



PERSONAL TAX CUTS

Previously legislated tax cuts for low and medium income earners have been brought forward to 1 July 2020 (previously 1 July 2022).



CAPITAL EXPENDITURE

Businesses with aggregated turnover of less than \$5 billion can deduct the full cost of eligible capital assets acquired from 6 October 2020 to 30 June 2022. Additional concessions also available for small businesses (turnover less than \$10 million).



LOSS CARRY BACK

Companies with aggregated turnover of less than \$5 billion are eligible to “carry back” their tax losses and claim a tax refund in their 2020-21 or 2021-22 tax returns. This is unavailable if it results in a franking deficit.



SMALL BUSINESS

Certain small business tax concessions (e.g. prepayments, start-up expenses, two year amendment period etc.) are available to entities with turnover of less than \$50 million (previously \$10 million).



FRINGE BENEFIT TAX

Exemption for retraining and reskilling employees for all employers. Car parking exemption extended to businesses with turnover of less than \$50 million. Small businesses will be able to rely on existing corporate records rather than employee declarations.



INFRASTRUCTURE

\$10 billion committed to road and rail projects, road safety and community infrastructure.



JOBMAKER - HIRING CREDIT

\$4 billion in cash incentives for businesses to hire certain employees aged between 16 to 35 years of age.



JOBMAKER - APPRENTICES AND TRAINEES

\$1.2 billion JobTrainer wage subsidies for Australian businesses to employ 100,000 new apprentices or trainees.



HEALTH

\$1.7 billion to secure access to over 84.8 million doses of COVID-19 vaccines developed by the University of Oxford/AstraZenca and the University of Queensland/CSL Limited.



WEALTHFARE PAYMENTS

Two additional Economic Support Payments of \$250 to pensioners and other eligible recipients.



RESEARCH AND DEVELOPMENT (R&D)

For small companies with a turnover of less than \$20 million, the refundable R&D tax offset will be increased to a fixed percentage of 18.5% above the company tax rate. For larger claimants, the intensity test will be streamlined from 3 to 2 tiers with the non-refundable R&D tax offset rate being 8.5% above the company tax rate for R&D expenditure up to 2% R&D intensity, and 16.5% for R&D expenditure above 2% R&D intensity. These changes will apply from 1 July 2021.



SUPERANNUATION

Establishment of an online comparison tool known as ‘YourSuper’ to help individuals manage their retirement savings. The legislated increases to Superannuation Guarantee will remain in place.