

Client Information Bulletin



March 2021



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COVID-19 measures

JobMaker hiring credit

The JobMaker Hiring Credit scheme (“JobMaker”) is a new government incentive in response to the COVID-19 economic crisis. Eligible employers can access JobMaker for each eligible additional employee aged 16 to 35 they hire between 7 October 2020 and 6 October 2021. The program will last for 2 years until 6 October 2022.

Are you eligible?

To be eligible for JobMaker you must:

- operate a business in Australia (not-for-profit organisations operating in Australia and certain deductible gift recipients (DGRs) are also eligible);
- hold an active ABN;
- be registered for PAYG withholding;

- satisfy the payroll increase and the headcount increase conditions – see below;
- not have claimed JobKeeper payments for a fortnight that started during the JobMaker period (see the table below for the JobMaker periods);
- be up to date with income tax and GST returns for the 2 years up to the end of the JobMaker period for which you are claiming (this requirement is adjusted for new businesses);
- be registered with the ATO for the scheme – see below; and
- satisfy reporting requirements, including up to date Single Touch Payroll (STP) reporting (see the table below).

Certain categories of employer are not eligible. These include companies in liquidation or provisional liquidation, individuals who have entered bankruptcy, major banks and Australian government agencies etc.

Payroll and headcount conditions

You must employ one or more eligible additional employees, resulting in a genuine increase in both:

- your total employee headcount from 30 September 2020 (a different reference point applies for the last 4 JobMaker periods); and
- your payroll for the JobMaker period, compared to the 3 months up to 6 October 2020.

An individual is an “eligible additional employee” if they:

- were employed by you at any time during the JobMaker period;
- commenced employment between 7 October 2020 and 6 October 2021;
- were aged between 16 and 35 years at the time they commenced employment;
- worked or were paid for an average of 20 hours a week for each whole week they were employed by you during the JobMaker period; and
- received certain income support payments, e.g. JobSeeker or Parenting Payment, for at least 28 consecutive days (or 2 fortnights) within the 84 days (or 6 fortnights) before being hired.

The employee must also provide you with a notice containing relevant information.

Certain individuals cannot qualify as an eligible additional employee. These include:

- relatives;
- partners if your business is operated through a partnership;
- directors and shareholders if your business is operated through a company; and
- anyone who, at any time between 6 April 2020 and 6 October 2020, you engaged as a contractor or a subcontractor and who performed substantially similar duties to those performed by the individual as an employee.

Registration and claims

You must register before the end of the first JobMaker period you are claiming for (see the key dates below). For example, if you want to make a claim for the first JobMaker period (7 October 2020 to 6 January 2021), you must register by 30 April 2021.

You can claim JobMaker from 1 February 2021. You can only claim JobMaker for each additional eligible employee for up to 12 months from the time they commence employment.

You will need to provide certain information to the ATO about each additional eligible employee, including their full name, date of birth and tax file number. You will also need to provide certain information about your business, such as headcount and payroll expenses.

How much will you receive?

The amount of JobMaker you receive depends on the age of the eligible additional employee when they commence employment with you.

You may receive up to \$200 per week for each eligible additional employee aged 16 to 29 and up to \$100 per week for each eligible additional employee aged 30 to 35.

Key dates

Dates for JobMaker periods, STP reporting and claim periods			
Period	JobMaker period	STP reporting due date	Claim period
1	7 October 2020 – 6 January 2021	27 April 2021	1 February 2021 – 30 April 2021
2	7 January 2021 – 6 April 2021	28 July 2021	1 May 2021 – 31 July 2021
3	7 April 2021 – 6 July 2021	28 October 2021	1 August 2021 – 31 October 2021
4	7 July 2021 – 6 October 2021	28 January 2022	1 November 2021 – 31 January 2022
5	7 October 2021 – 6 January 2022	27 April 2022	1 February 2022 – 30 April 2022
6	7 January 2022 – 6 April 2022	28 July 2022	1 May 2022 – 31 July 2022
7	7 April 2022 – 6 July 2022	28 October 2022	1 August 2022 – 31 October 2022
8	7 July 2022 – 6 October 2022	28 January 2023	1 November 2022 – 31 January 2023

(Table from the [ATO website](#))

Integrity measures

You will not be eligible for JobMaker if you enter into an arrangement to artificially inflate your headcount or payroll, by terminating or reducing the hours of an existing employee in an attempt to access JobMaker or increase payments.

If you claim JobMaker, you will not be able to claim other Australian Government wage subsidies, such as the Supporting Apprentices and Trainees Wage subsidy and the Australian Apprentice Wage subsidy.

Tax consequences

All JobMaker payments are assessable as ordinary income. Salary and wages paid to employees that are subsidised by JobMaker continue to be deductible.

JobMaker is:

- not subject to GST; and
- does not need to be included in your business activity statements (BAS).

Tip! Talk to your Blaze Acumen tax adviser if you think you may qualify for JobMaker.

JobKeeper

Don't forget that the JobKeeper extension ends this Sunday on **28 March 2021**.

Investment incentives

We have previously alerted you to 2 temporary measures to encourage business investment:

- full expensing for the cost of new depreciating assets acquired from 7:30pm (AEDT) on 6 October 2020 (i.e. 2020–21 Budget night) and first used or installed by 30 June 2022 (see *the October 2020 Special Budget Edition of TaxWise News*); and
- an accelerated rate of depreciation for new depreciating assets first held on or after 12 March 2020 and first used or installed ready for use on or after 12 March 2020 and before 1 July 2021 (see *the April 2020 edition of TaxWise News*).

The law has been changed so that you can now choose not to apply full expensing or accelerated depreciation to particular depreciating assets. But once you make that choice, you are locked in (i.e. you cannot reverse it).

Tip! Talk to your Blaze Acumen tax adviser if you are contemplating buying new assets for your business.

Victorian business support

Just prior to Christmas, the Federal Government declared that various COVID-19 related business grants provided by the Victorian Government are not taxable (technically, they are non-assessable non-exempt income). These are:

- Alpine Business Fund;
- Business Support Fund 3;
- Licensed Hospitality Venue Fund;
- Melbourne City Recovery Fund – Small business reactivation grants;
- Outdoor Eating and Entertainment Package; and
- Sole Trader Support Fund.

Varying your PAYG instalments

To assist taxpayers experiencing financial difficulty as a result of COVID-19, the ATO is providing added flexibility to manage your instalments to suit your circumstances. If you are a PAYG instalment payer, you can vary your PAYG instalments on your activity statement.

You can vary your instalments if you think using the current amount or rate will result in you paying too much by instalments when compared to your estimated tax for the year.

The ATO has said that it will not apply penalties or charge interest to varied instalments that relate to the 2020–21 income year (including if you have a substituted accounting period) when you have made your best attempt to estimate your end of year tax liability.

You should review your tax position regularly. You can vary your instalments multiple times throughout the year. Your varied amount or rate will apply for all your remaining instalments for the income year or until you make another variation.

If you realise you've made a mistake working out your PAYG instalment, you can correct it by lodging a revised activity statement or varying a subsequent instalment.

Tip! Talk to your Blaze Acumen tax adviser if you think you may need to vary your PAYG instalments or if you have made a mistake working out your instalments.



What has the ATO been doing?

Trading stock taken for private use

It is common in a number of industries for trading stock to be used for private purposes. If you do this, you are treated as having sold it for its cost just before you use it and as having bought it back for the same amount.

Because it is difficult in many cases to keep accurate records of transactions involving goods taken from stock for private use, the ATO publishes each year standard values (excluding GST) that can be used by proprietors of certain businesses. The latest amounts (for the 2020–21 tax year) were published in early January.

Type of Business	Amount (excluding GST) for Adult/Child over 16 years	Amount (excluding GST) for Child 4 to 16 years old
Bakery	\$1,350	\$675
Butcher	\$900	\$450
Restaurant/café (licensed)	\$4,640	\$1,810
Restaurant/café (unlicensed)	\$3,620	\$1,810
Caterer	\$3,830	\$1,915
Delicatessen	\$3,620	\$1,810
Fruiterer/greengrocer	\$930	\$465
Takeaway food shop	\$3,670	\$1,835
Mixed business (includes milk bar, general store and convenience store)	\$4,460	\$2,230

(Table taken from Taxation Determination TD 2021/1)

Property sales

The ATO regularly receives data relating to the purchase and sale of properties from State and Territory revenue offices around Australia.

Where property transfers are made by businesses, they are potentially taxable, and the ATO matches this information against what has been reported on activity statements. If you sold property and did not include it in your activity statement, the ATO may contact you. You will be asked to review your records and revise the relevant activity statement, without penalty, by a specified date.

Tip! Talk to your Blaze Acumen tax adviser if you have sold property.

Online sales – data-matching

The ATO will acquire data on Australian sales made through online selling platforms through to 2022–23. The collected data may include business names, ABNs, addresses (e.g. business, postal and email), contact details, account names, account registration information and the number and value of monthly and yearly sales transactions.

The ATO estimates the total number of account records obtained will be between 20,000 and 30,000 each financial year. It expects around half of the matched accounts will relate to individuals.

These records will be electronically matched with ATO data holdings to identify non-compliance with registration, lodgment, reporting and payment obligations under taxation laws.

Tip! If you have online sales transactions, talk to your Blaze Acumen tax adviser to make sure you are complying with all your taxation obligations.

Vehicle registrations – data-matching

The ATO will acquire motor vehicle registry data from State and Territory motor vehicle registry authorities through to 2021–22. The collected data may include identification details (e.g. names, addresses and ABNs) and transaction details (e.g. date and type of transaction, sale price of the vehicle and market value of the vehicle).

The ATO estimates that records relating to approximately 1.5 million individuals will be obtained each financial year.

The data will be acquired and matched to the ATO's internal data holdings to identify relevant cases for administrative action. For example, the data may be used to identify taxpayers buying, selling or acquiring motor vehicles who are at risk of not complying with their taxation obligations. That could be a licensed motor vehicle dealer who may not be complying with luxury car tax obligations or a business with little reported income buying a very expensive vehicle.

Don't forget that if you are contemplating buying a new car for your business (e.g. to take advantage of full expensing), your deduction cannot exceed the car limit (\$59,136 for 2020–21).

Tip! Buying a car for your business can have various tax implications, e.g. depreciation, GST and FBT. If you are contemplating buying a car, discuss the potential tax implications with your Blaze Acumen tax adviser.



Key tax dates

Date	Obligation
31 Mar 2021	Lodge and pay tax return for companies and super funds with income >\$2 million (unless due earlier)
14 Apr 2021	March JobKeeper monthly business declaration due
21 Apr 2021	Lodge and pay March 2021 monthly BAS
28 Apr 2021	Lodge and pay March 2021 monthly BAS Pay March 2021 quarterly instalment notice Employee super guarantee contributions due
21 May 2021	Lodge and pay April 2021 monthly BAS Lodge and pay annual FBT return (if your business lodges one by paper)
28 May 2021	Lodge and pay March 2021 quarterly SGC (if required)
25 June 2021	Lodge and pay annual FBT return (if your business lodges electronically via Blaze Acumen)

DISCLAIMER

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