



Lower taxes for businesses and individuals

The Budget seeks to promote tax reform and simplification in an effort to support business investment and help reduce the personal income tax burden.

Business

Businesses are encouraged to invest with the introduction of temporary full expensing. Businesses with a turnover of up to \$5 billion will be able to deduct the full cost of eligible depreciable assets of any value in the first year they are used or installed ready for use, from now till end of June 2022. Costs of improvements to these eligible depreciable assets can also be deducted. Through the reduction of after-tax costs of eligible expenses, full expensing supports businesses that are investing and helping stimulate the economy. Eligible new or second-hand assets acquired under the enhanced \$150,000 instant asset write-off by the end of this year will receive an additional 6 months (30 June 2021) to use or install those assets.

Temporary loss carry-back will provide businesses the opportunity to offset tax losses. Companies with a turnover of up to \$5 billion will be able to offset tax losses against previous profits on which tax has been paid to generate a refund. Any losses incurred from 2019-20, 2020-21, 2021-22 may be carried back against profits made during the 2020-21 or 2021-22 tax returns.

Measures have been taken to expand and modernise the tax treaty network. This involves eliminating double taxation in an effort to attract foreign workers, simplifying taxing rights between Australia and other countries and boosting foreign investment in Australia. The initiative reduces tax barriers to prioritise reinstating Australia's treaties with important partners to relieve economic burden. The research and Development Tax Incentive (R&DTI) will ensure businesses of every size are receiving the support they require in these areas.

Changes have been made to recordkeeping provisions as the government maintains its efforts to cut down red tape. Businesses will no longer need to complete prescribed records, instead they will be able to use existing corporate records to reduce the time and manpower spent on recordkeeping.

Individuals

Both low and middle income earners will also be receiving tax relief in the coming years. The government has brought forward their plans for tax cuts to make sure that families are keeping more of what they earn. Taxpayers will be receiving relief of up to \$2,745 for singles and \$5,490 for dual income families. The provision of a simpler tax system and lower taxes, which will be implemented in 3 stages, has increased the threshold of the 32.5% tax bracket from \$90,000 to \$120,000. Tax relief to individuals is expected to encourage spending and stimulate the economy.

A tailored approach for each business is recommended so call us for assistance and advice on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.

**WE ARE DRIVEN TO
UNDERSTAND WHAT YOUR
FINANCIAL GOALS ARE, AND
HELP YOU ACHIEVE THEM.**

- BUSINESS IMPROVEMENT STRATEGIES
- BUSINESS STRUCTURES AND SUCCESSION PLANNING
- SELF MANAGED SUPERANNUATION FUNDS
- TAXATION AND ACCOUNTING
- AUDITING AND ASSURANCE



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