

2020 BUDGET HIGHLIGHTS

Tax Cuts

How much will I save?

If you earn	Tax relief
\$37,000 or less	up to \$510
\$37,000 - \$48,000	\$510 - \$2160
\$48,000 - \$90,000	\$2160 - \$2295
\$90,001 - \$126,000	\$2295 - \$2745

The new rates backdated to 1 July 2020

0 to \$18,200	0
\$18,200 - \$45,000	19%
\$45,001 - \$120,000	32.5%
\$120,001 - \$180,000	37%
\$180,000 plus	45%

Medicare levy remains at 2.0%

Stage 3 tax cuts to be introduced in July 2024 as legislated

Low & Middle Income Tax Offset of \$1,080 has been extended a year to 30 June 2022

Asset Write Off

For business with Turnover up to \$5 Billion all expenditure from 6/10/2020 (budget night) can write off the full value of any asset purchased for their business up until June 2022

Losses from Previous Years

Losses incurred up to 30 June 2022 can be carried back against profits made back as far as 30 June 2019 which means companies may elect to receive refunds when they lodge the 2021 or 2020 tax returns

JobMaker

16 to 29 year old \$200 per week

30 to 35 year old \$100 per week

Applies to those currently on JobSeeker for at least 1 of the last 3 months

Payable for 12 months

JobTrainer

Created up to 340,000 free or low cost training places for school leavers and job seekers

Apprenticeship & trainee positions will get a 50% wage subsidy up to \$7,000 per quarter or \$28,000 Per year

Must be an apprentice or employee employed at 1 July 2020. The employee limit has been increased from 20 to 200

Superannuation

Super accounts will not be created automatically every time a worker changes jobs

Super funds will be required to meet an annual performance test and a superannuation comparison tool will be introduced called "Your Super"

Aged Care

Additional 23,000 home care packages at a total cost of \$1.6 billion

Investment increased to improve skills and training in the aged care workforce

First Home Buyers

First home deposit scheme where the purchase with only 5% of the purchase price has the loan government guaranteed to ensure no Lenders Mortgage Insurance is payable. This has been opened for up to 10,000 first home buyers but only applicable to new builds and not existing residences.

Welfare Recipients

Eligible taxpayers will receive \$250 payment in December 2020 and in March 2021

Eligibility: age pension, disability support pension, family tax benefit, family benefit lump sum, double orphan pension, carer allowance, carer payments and those with a commonwealth seniors health care, pensioners concession care and veteran card.

Economy Impact

	2021	2022	2023	2024
Real GDP	-1.5%	4.75%	2.75%	3.0%
Unemployment	7.25%	6.5%	6.0%	5.5%
Wages Growth	1.25%	1.5%	2.0%	2.25%
Deficit Projection	\$213.7 B	\$112.0 B	\$87.9 B	\$66.9 B
Gross Debt	\$872 B	\$1.016 T	\$1.083 T	\$1.138 T

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