Federal Budget Report 2021–22

May 11, 2021

The 2021-22 Federal Budget was announced by the Treasurer, Josh Frydenberg, on 11 May 2021. This Federal Budget was handed down in the context of three key overarching events: the ongoing uncertainty caused by the global coronavirus pandemic, economic recovery from the downturn resulting from the pandemic and an upcoming Federal election.

The Budget is fundamentally one for spending on economic recovery, to build resilience and future essential services. It is intended to support accelerated economic growth on the back of the COVID-19 driven recession we had in 2020.

There are a number of initiatives that should support small businesses through recovery, however no additional support was provided for those small businesses still constrained and effected by closed borders and no international travel for the foreseeable future.

A SNAPSHOT OF SOME KEY MEASURES

COVID-19 RELIEF FOR BUSINESSES

The top announcements for small businesses in this year's Budget are:

- Funding of $1.2bn for the Digital Economy Strategy with the introduction of the proposed 17% patent box tax regime for the exploitation of medical and biotechnological patents;
- Allowing businesses to self-assess the effective life of intangible depreciating assets for assets acquired from 1 July 2023;
- Extension of the Instant Asset Write-off provisions for another 12 months until 30 June 2023, allowing depreciable assets to be fully expensed for businesses with turnover below $5bn;
- Extending the Loss Carry-back provisions to 2022/23 allowing companies to recoup tax previously paid on prior year profits who have turnover below $5 billion;
- Small craft brewers and distillers will receive up to $250,000 in tax breaks
- Deregulation agenda, using technology to reduce the time small businesses spend complying with regulations.

COVID-19 RELIEF FOR INDIVIDUALS

Tax measures impacting individuals in this Budget, include:

- The low and middle income tax offset (LMITO), due to expire 30 June 2021, has been extended for another year. This offset gives workers earning less than $126,000 per year up to $1,080 of tax relief;
- An extra $1.7bn has been allocated to child care. Costs will fall for families with two or more children in child care, and the annual cap on the subsidy will be removed;
- Superannuation work test removed for those age 67 to 74 for non-concessional and salary sacrificed contributions;
- The current tax residency tests for individuals will be replaced with a simpler framework;
- The removal of the Superannuation Guarantee Threshold, employees earning less than $450 per month will now be paid the superannuation guarantee by their employer;
- Introduction of a new Family Home Guarantee program to help single parents buy a home. This program allows single parents with a household income of less than $125,000 to buy a home with a deposit of just 2%, the government guarantees the remainder of the deposit;
- The existing New Home Guarantee program has been extended, with another 10,000 places added. This program allows first home buyers to build or buy a new home with a deposit of just 5% with the government guaranteeing the remainder of the deposit;
- The First Home Super Saver Scheme (FHSSS), where anyone seeking to save a deposit for their first home can make voluntary contributions to their superannuation fund, had been capped at $15,000 a year. The maximum amount under the scheme was capped at $30,000 which has now been raised to $50,000;
- The government already allows older Australians to make a post-tax downsizer contribution to super when they sell their family home. From 1 July 2022 the minimum age will be lowered from 65 to 60. This policy is designed to encourage downsizing and free up larger homes for families.

CHANGES AFFECTING BUSINESS TAXPAYERS

TEMPORARY FULL EXPENSING EXTENSION

In the December 2020 quarter, investment in machinery and equipment increased at the fastest quarterly rate in nearly seven years. To encourage continued business investment in fixed assets, the Temporary Full Expensing of Assets measures, which allow an immediate deduction in certain circumstances for the acquisition of depreciable assets, will be extended by a further 12 months.

To be eligible businesses will need to have aggregated annual turnover or total income of less than $5 billion a year to deduct the full cost of eligible depreciable assets of any value, acquired from 7:30pm AEDT on 6 October 2020 and first used or installed ready for use by 30 June 2023.

All other elements of temporary full expensing will remain unchanged, including the alternative eligibility test based on total income, which will continue to be available to businesses.

The table below summarises the various thresholds:

Aggregated turnover	Date asset acquired (IAWO) or first held (FEDA)	Date asset first used or installed ready for use	Asset threshold (cost)
IAWO: Small business entity (SBE): **< $10m**	Before 7:30pm on 12 May 2015	Before 7:30pm on 12 May 2015	< $1,000
	Acquired from 7:30 pm on 12 May 2015 to 31 December 2020	From 7:30pm on 12 May 2015 to before 29 January 2019	< $20,000
		29 January 2019 to before 7:30pm on 2 April 2019	< $25,000
		From 7:30pm on 2 April 2019 to before 12 March 2020	< $30,000
		12 March 2020 to 30 June 2021	< $150,000
	Acquired from 1 January 2021	Practically, not relevant until after 30 June 2022	< $1,000
IAWO: Medium sized business: **$10m to < $50m**	Acquired from 7:30 pm on 2 April 2019 to 31 December 2020	Acquired from 7:30 pm on 2 April 2019 to before 12 March 2020	< $30,000
		12 March 2020 to 30 June 2021	< $150,000
IAWO: Large business: **$50m to < $500m**	Acquired from 7:30 pm on 2 April 2019 to 31 December 2020	12 March 2020 to 30 June 2021	< $150,000
FEDA: Businesses **< $5b**	First held from 7:30pm on 6 October 2020 to 30 June ~~2022~~ 2023	By 30 June ~~2022~~ 2023	No limit

Small business entities (with aggregated annual turnover of less than $10 million) using the simplified depreciation rules can deduct the full balance of their simplified depreciation pool at the end of the income year while full expensing applies. The provisions which prevent small businesses from re-entering the simplified depreciation regime for five years if they voluntarily leave the system will continue to be suspended.

Certain expenditure is excluded from this measure, such as improvements to land or buildings that are not treated as plant or as separate depreciating assets in their own right. Expenditure on these improvements would still normally be claimed at 2.5% or 4% per year.

The car limit will continue to place a cap on the deductions that can be claimed for luxury cars.

The Full expensing of second-hand assets is limited to entities with aggregated turnover of less than $50m.

Taxpayers can choose not to apply the temporary full expensing rules to specific assets, although this choice is not currently available to small business entities that choose to apply the simplified depreciation rules for the relevant income year.

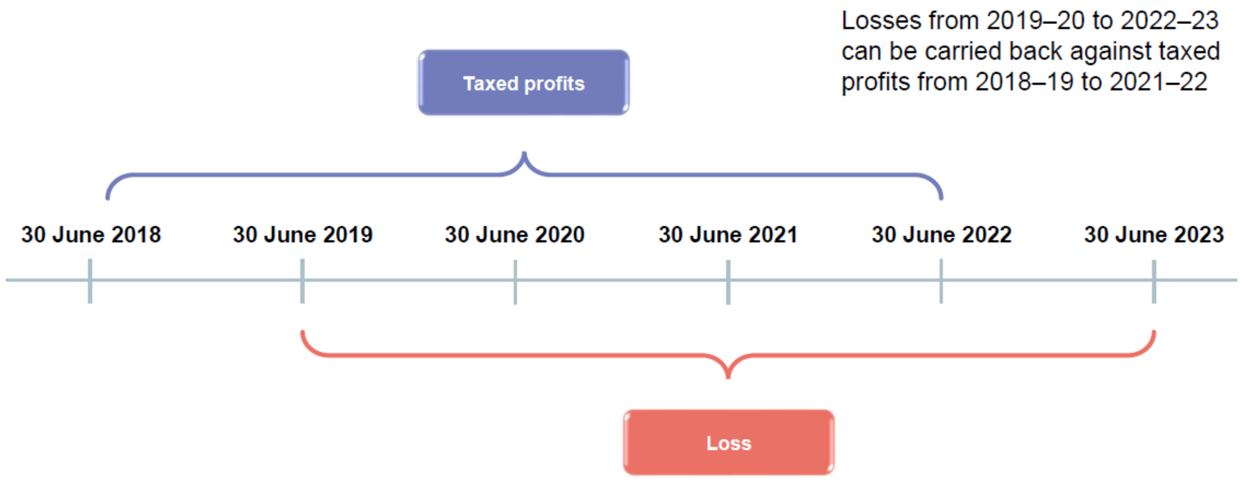
TEMPORARY LOSS CARRY-BACK EXTENSION

The Temporary Loss Carry Back rules will also be extended by a further 12 months to allow eligible companies to carry back losses from the 2022-2023 income year to offset previously taxed profits as far back as the 2018-2019 income year.

These measures allow eligible companies with an aggregated turnover of less than $5 billion to carry back losses from the 2020, 2021, 2022 or 2023 income years to claim a refund of tax paid (by way of a tax offset) in relation to the 2019, 2020, 2021 and/or 2022 income year to free up cash flow to support business.

This will allow such companies to generate a refundable tax offset in the year in which the loss is made. The tax refund is limited by requiring that the amount carried back is not more than the earlier taxed profits and that the carry back does not generate a franking account deficit.

The tax refund will be available on election by eligible companies when they lodge their tax returns for the 2021 to 2023 income years.



Before the measure was introduced in the 2020-21 Budget, companies were required to carry losses forward to offset profits in future years. Companies that do not elect to carry back losses can still carry losses forward as normal.

This measure will interact with the Government’s announcement to extend full expensing of investments in depreciating assets for another year. The new investment will generate significant tax losses in some cases which can then be carried back to generate cash refunds for eligible companies.

DIGITAL ECONOMY STRATEGY (INCLUDING SELF-ASSESSING THE EFFECTIVE LIFE OF INTANGIBLE DEPRECIATING ASSETS)

The Government will provide $1.2 billion over six years from 2022 for the Digital Economy Strategy, to support Australia to be a leading digital economy and society by 2030.

From an income tax, investment incentive perspective, the Digital Economy Strategy includes the following:

(a) The Government will allow taxpayers to self-assess the tax effective lives of eligible intangible depreciating assets, such as patents, registered designs, copyrights and in-house software. This measure will apply to assets acquired from 1 July 2023, after the temporary full expensing regime has concluded.

The tax effective lives of such assets are currently set by statute and is broadly included in the attached table. Allowing taxpayers to self assess the tax effective life of an asset will allow for a better alignment of tax outcomes with the underlying economic benefits provided by the asset. It will also align the tax treatment of these assets with that of most tangible assets

Taxpayers will continue to have the option of applying the existing statutory effective life to depreciate these assets

Asset	Effective life in years
Standard Patent	20
Registered Designs	15
Copyright	25 or period until the copyright ends
In-house software	5

(b) The Government will provide $18.8 million over four years from 2022 for a Digital Games Tax Offset to provide a 30% refundable tax offset for qualifying Australian digital games expenditure from 1 July 2022, with the criteria and definition of qualifying expenditure to be determined through industry consultation.

(c) A limited patent box tax regime was announced as a means of encouraging innovation in Australia. The Patent Box, applying from 1 July 2022, will ensure that eligible companies are taxed at an effective corporate tax rate of 17% on income derived from Australian owned and developed patents. The concession will initially be limited to Australian medical and biotechnology patents but the Government has also committed to consult on whether the Patent Box should also be extended to the clean energy sector.

It is hoped that the requirement for domestic development will encourage additional investment and hiring in research and development and encourage companies to develop their innovations in Australia.

(d) The Government will provide $200.1 million over two years from the 2022 income year to develop and transition government services to a new, enhanced myGov platform, providing a central place for Australians to find information and services online.

DEBT RECOVERY FOR SMALL BUSINESS

The Government has announced that it will allow small business entities (including individuals carrying on a business) with an aggregated turnover of less than $10 million per year to apply to the Small Business Taxation Division of the Administrative Appeals Tribunal (the 'Tribunal') to pause or modify ATO debt recovery actions, such as garnishee notices and the recovery of general interest charge or related penalties, where the debt is being disputed in the Tribunal.

Currently, small businesses are only able to pause or modify ATO debt recovery actions through the court system, which can be costly and time consuming. It is expected that applying to the Tribunal instead of the courts will save small businesses at least several thousands of dollars in court and legal fees and as much as 60 days of waiting for a decision.

These new powers for the Tribunal will be available in respect of proceedings commenced on or after the date of Royal Assent of the enabling legislation.

TAX TREATMENT OF QUALIFYING STORM AND FLOOD GRANTS

The Government will provide an income tax exemption for qualifying grants made to primary producers and small businesses affected by the storms and floods in Australia.

Qualifying grants are Category D grants provided under the Disaster Recovery Funding Arrangements 2018, where those grants relate to the storms and floods in Australia that occurred due to rainfall events between 19 February 2021 and 31 March 2021. These include small business recovery grants of up to $50,000 and primary producer recovery grants of up to $75,000. The grants will be made non-assessable non-exempt income for tax purposes.

JOBTRAINER FUND EXTENSION

The Government will extend the JobTrainer Fund by providing $506.3 million over two years from 2021-22 income year. Funding is subject to matched funding by State and Territory governments. The extended JobTrainer Fund will deliver a further 163,000 low fee and free training places including 33,800 training places for existing and new aged care workers to upskill and 10,000 places for digital skills courses.

The extended JobTrainer Fund will continue to support job seekers, school leavers and young people helping them access valuable upskilling and reskilling opportunities. Eligibility for the Fund will be expanded to include selected employed cohorts that are continuing to be affected by COVID-19, expansion details have not been provided at this time.

BOOSTING APPRENTICESHIP COMMENCEMENTS WAGE SUBSIDY — EXPANSION

The Government will provide an additional $2.7 billion over four years from 2020-21 to expand the Boosting Apprenticeship Commencements wage subsidy to further support businesses and Group Training Organisations to take on new apprentices and trainees.

This measure will uncap the number of eligible places and increase the duration of the 50 per cent wage subsidy to 12 months from the date an apprentice or trainee commences with their employer.

From 5 October 2020 to 31 March 2022, businesses of any size can claim the Boosting Apprenticeship Commencements wage subsidy for new apprentices or trainees who commence during this period. Eligible businesses will be reimbursed up to 50 per cent of an apprentice or trainee's wages of up to $7,000 per quarter for 12 months.

The Government will also provide 5,000 additional gateway service places and in-training support services to encourage and support more women commencing in non-traditional trade occupations.

The Incentives for Australian Apprenticeships Program will be delayed by three months to commence on 1 October 2021, replacing the current Australian Apprenticeships Incentive Program (AAIP) with a simplified Australian Apprenticeships pathway, which will be easier for employers to access and navigate. The AAIP and Additional Identified Skills Shortage payments will also be extended to 30 September 2021 to ensure eligible apprentices continue to receive support throughout the deferral period and minimise disruption to apprentices and their employers.

TAX RELIEF FOR BREWERS AND DISTILLERS - ANNUAL CAP INCREASED TO $350K

From 1 July 2021, eligible brewers and distillers will be able to receive a full remission of any excise they pay, up to an annual cap of $350,000. Currently, eligible brewers and distillers are entitled to a refund of 60% of the excise they pay, up to an annual cap of $100,000.

The tax relief will align the benefit available under the Excise Refund Scheme for brewers and distillers with the Wine Equalisation Tax (WET) Producer Rebate.

NOT FOR PROFITS (NFP)

Currently, NFP can self-assess their eligibility for income tax exemptions with no reporting requirements to the ATO.

From 1 July 2023, the ATO will require income tax exempt NFPs with an active ABN to submit an online confirmation of their eligibility for the income tax exemption. The measure will ensure that only eligible NFPs are accessing the income tax exemptions.

SUPERANNUATION RELATED CHANGES

REMOVING THE WORK TEST FOR VOLUNTARY CONTRIBUTIONS

The Government has announced that it will allow individuals aged 67 to 74 years (inclusive) to make or receive non-concessional contributions (including under the bring-forward rule) and salary sacrifice contributions without meeting the work test, subject to existing contribution caps.

Individuals aged 67 to 74 years (inclusive) will still have to meet the work test to make personal deductible contributions.

Currently, individuals aged 67 to 74 years (inclusive) can only make voluntary contributions (both concessional and non-concessional) to their superannuation fund, or receive contributions from their spouse, if they satisfy the work test (subject to a limited work test exemption).

Generally, to satisfy the work test, an individual must be working for at least 40 hours over a period of not more than 30 consecutive days in the income year the relevant contribution is made.

This work test has often proven to be an impediment to healthy Australians in their late 60s who were underfunded. They could not contribute to their superannuation without meeting what were quite irrational work requirements. For example, a person who has worked 40 hours in just one fortnight in the financial year in which a contribution is made would meet the work test for the whole year. This simply encouraged artificial work arrangements that served no real purpose.

The measure will have effect from the start of the first income year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

Removing the requirement to meet the work test when making non-concessional or salary sacrifice contributions will simplify the rules governing superannuation contributions and will increase flexibility for older Australians to save for their retirement through superannuation.

REDUCING THE AGE LIMIT FOR DOWNSIZER CONTRIBUTIONS

The Government will reduce the age limit from which downsizer contributions can be made by eligible individuals, from 65 to 60 years of age.

The measure will have effect from the start of the first income year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

The downsizer contribution allows eligible individuals to make a one-off, after-tax contribution to their superannuation fund, of up to $300,000 per person ($600,000 per couple) within 90 days of settlement of sale of an eligible dwelling where certain other conditions are satisfied.

Under the current requirements, an individual must be at least 65 years of age at the time of making the relevant contribution, for the contribution to qualify as a downsizer contribution.

There are some downsides to the downsizer contribution. Firstly, it may count for the purposes of determining what future contributions can be made. Secondly, while the family home does not count for the purposes of the Age Pension assets test, any sale proceeds contributed to superannuation count towards the Age Pension assets test.

REMOVING $450 P/MONTH THRESHOLD FOR SUPERANNUATION GUARANTEE ('SG') ELIGIBILITY

Currently, employees need to earn $450 per month to be eligible to be paid the superannuation guarantee. This threshold will be removed so all employees will be paid super guarantee regardless of their income earned.

The measure will have effect from the start of the first income year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

RELAXING RESIDENCY REQUIREMENTS FOR SELF-MANAGED SUPER FUNDS ('SMSFS')

The Government will relax residency requirements for SMSFs and small APRA-regulated funds by:

- extending the central control and management test safe harbour from two years to five years for SMSFs; and
- removing the active member test for both types of funds.

The measure will have effect from the start of the first income year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

This measure will allow SMSF members and small APRA fund members to continue to contribute to their superannuation fund whilst temporarily overseas, ensuring parity with members of large APRA regulated funds.

CHANGES TO THE FIRST HOME SUPER SAVER ('FHSS') SCHEME

The first home super saver (FHSS) scheme allows you to save money for your first home inside your super fund, enabling you to save faster by accessing the concessional tax treatment of superannuation. You can make voluntary concessional (before-tax) and voluntary non-concessional (after-tax) contributions into your super fund and then apply to release those funds.

Currently under the scheme, participants can release up to $15,000 of the voluntary contributions (and earnings) they have made in a financial year up to a total of $30,000 across all years.

The Government has announced that the current maximum releasable amount of $30,000 will increase to $50,000.

The voluntary contributions made to superannuation are assessed under the applicable contribution caps; there is no separate cap for these amounts.

Amounts withdrawn will be taxed at marginal rates less a 30% offset. Non-concessional contributions made to the FHSS are not taxed.

To be eligible for the scheme, you must be 18 years of age or over, never owned property in Australia, and have not previously applied to release superannuation amounts under the scheme. Eligibility is assessed on an individual basis. This means that couples, siblings or friends can each access their own eligible FHSS contributions to purchase the same property.

PERSONAL INCOME TAX CHANGES

CURRENTLY LEGISLATED RATES AND THRESHOLDS

There were no changes made to the already legislated third and final stage of the Personal Income Tax Plan which will provide further personal income tax cuts from 1 July 2024. The rates and thresholds, as currently legislated, may be summarised as follows:

TABLE 1: Summary of individual income tax rates — residents

To 30 June 2018		STAGE 1 From 1 July 2018		STAGE 2 From 1 July 2020		STAGE 3 From 1 July 2024	
Income threshold	Tax rate	Income threshold	Tax rate	Income threshold	Tax rate	Income threshold	Tax rate
$18,200	19%	$18,200	19%	$18,200	19%	$18,200	19%
$37,000	32.5%	$37,000	32.5%	$45,000	32.5%	$45,000	30%
$87,000	37%	$90,000	37%	$120,000	37%	$200,000	45%
$180,000	45%	$180,000	45%	$180,000	45%		

RETAINING THE LOW AND MIDDLE INCOME TAX OFFSET ('LMITO') FOR THE 2022 INCOME YEAR

The Government has announced that it will retain the LMITO for one more income year, so that it will still be available for the 2022 income year. Under current legislation, the LMITO was due to be removed from 1 July 2021.

The LMITO is a non-refundable tax offset that provides tax relief for low and middle income taxpayers and is available in addition to the Low Income Tax Offset ('LITO').

The LMITO is proposed to apply as follows for the 2022 income year

Proposed LMITO for 2022	
$37,000 or less	Up to $255
$37,001 to $48,000	$255 + 7.5% of excess over $37,000
$48,001 to $90,000	$1,080
$90,001 to $126,000	$1,080 – 3% of excess over $90,000
$126,001 +	Nil

Consistent with current arrangements, the LMITO will be applied to reduce the tax payable by individuals when they lodge their tax returns for the 2022 income year.

INCREASING THE MEDICARE LEVY LOW-INCOME THRESHOLDS

The Government will increase the Medicare levy low-income thresholds for singles, families, and seniors and pensioners from 1 July 2020 to take account of recent movements in the CPI so that low-income taxpayers generally continue to be exempt from paying the Medicare levy.

The new rates are as follows:

	2019-20	2020-21
Singles	$22,801	$23,226
Family threshold	$38,474	$39,167
Single seniors and pensioners	$36,056	$36,705
Family threshold for seniors and pensioners	$50,191	$51,094

For each dependent child or student, the family income thresholds increase by a further $3,597, up from the previous amount of $3,533.

MODERNISING THE INDIVIDUAL TAX RESIDENCY RULES

The Government has announced that it will replace the individual tax residency rules with a new, modernised framework.

The primary test will be a simple ‘bright line’ test – a person who is physically present in Australia for 183 days or more in any income year will be an Australian tax resident.

Individuals who do not meet the primary test will be subject to secondary tests that depend on a combination of physical presence and measurable, objective criteria.

Australia’s current tax residency rules are difficult to apply in practice, creating uncertainty and resulting in high compliance costs for individuals and their employers. According to the Government, this new framework will be easier to understand and apply in practice, deliver greater certainty, and lower compliance costs for globally mobile individuals and their employers.

This measure will have effect from the first income year after the date of Royal Assent of the enabling legislation.

REDUCING COMPLIANCE COSTS FOR INDIVIDUALS CLAIMING SELF-EDUCATION EXPENSE DEDUCTIONS

The current non-deductibility of the first $250 of eligible self-education expenses will be removed from the financial year commencing after Royal Assent. While non-deductible self-education costs can be offset against the current $250 threshold, the removal of this threshold eliminates the need to retain substantiation in this regard.

The non-deductibility of the first $250 of self-education expenses is a historical quirk that has been around since there was a $250 concessional rebate for such expenses in the 1970s.

This measure will have effect from the first income year after the date of Royal Assent of the enabling legislation.

EMPLOYEE SHARE SCHEMES – REMOVING 'CESSATION OF EMPLOYMENT' AS A TAXING POINT

The Government will remove the 'cessation of employment' taxing point for tax-deferred Employee Share Schemes ('ESS') that are available for all companies allowing a potential further deferral of tax by the employee.

This change will apply to ESS interests issued from the first income year after the date of Royal Assent of the enabling legislation. This will create some uncertainty as to whether it will apply from 1 July 2022 or 1 July 2023, depending on when Royal Assent is received.

Currently, under a tax-deferred ESS, where certain criteria are met, employees may defer tax until a later tax year ('the deferred taxing point'). The deferred taxing point is the earliest of:

a) cessation of employment;
b) in the case of shares, when there is no risk of forfeiture and no restrictions on disposal;
c) in the case of options, when the employee exercises the option and there is no risk of forfeiting the resulting share and no restriction on disposal; and
d) the maximum period of deferral of 15 years.

This change will remove the 'cessation of employment' taxing point (i.e., point (a) above) and result in tax being deferred until the earliest of the remaining taxing points.

CHILD CARE REFORM

As foreshadowed by the Government, the Budget includes changes to the Child Care Subsidy (CCS). The objective of these changes is to make childcare more affordable and boost workforce participation

Under the proposed changes from 1 July 2022 the government will:

- Increase child care subsidies available to families with more than one child aged five and under in child care
- Remove the annual cap of $10,560 per child per year commencing on 1 July 2022.

For those families with more than one child in child care, the level of subsidy received will increase by 30% to a maximum subsidy of 95% of fees paid for their second and subsequent children (tapered by income and hours of care).

Under the current system, the maximum child care subsidy payable is 85% of child care fees and it applies at the same rate per child, regardless of how many children a family may have in care.

The Government has estimated the benefits as follows

Benefit for families with two children in child care four days

Family income	Current out of pocket child care cost per week	Current subsidy	New 2nd child subsidy	Future out of pocket child care cost per week	Total better off per week
$40,000	$124.60	85%	95%	$83.20	**$41.60**
$80,000	$149.18	82%	95%	$95.39	**$53.79**
$110,000	$232.38	72%	95%	$136.99	**$95.39**
$140,000	$315.58	62%	92%	$190.78	**$124.80**
$180,000	$416.00	50%	80%	$291.20	**$124.80**

HOME OWNERSHIP

the Government announced that more than 125,000 single parents would Be eligible to shift from long-term renting to owning a home with as little as a 2 per cent deposit, or just $8000, under a government-guaranteed home loan scheme to help women who are marginalised from the property market.

As part of the 2021-22 Budget, the Government will:

- Establish the Family Home Guarantee with 10,000 guarantees made available over four years to single parents with dependants. This will allow them to purchase a home sooner with a deposit of as little as 2%, subject to the individual's ability to service the home loan;
  The Family Home Guarantee is aimed at single parents with dependants, regardless of whether that single parent is a first home buyer or previous owner-occupier. Applicants must be Australian citizens and at least 18 years of age.
- Expand the New Home Guarantee for a second year, providing an additional 10,000 places in 2021-22 for first home buyers seeking to build a new home or purchase a newly built home with a deposit as little as five per cent;

A summary of the various schemes are detailed below:

Measure	Explanation
HomeBuilder program	▪ Construction commencement requirement extended from 6 to 18 months for all existing applicants ▪ Applies to contracts signed between 4 June 2020 and 31 March 2021 ▪ Provides an additional 12 months to commence construction from the date that the building contract was signed
Family Home Guarantee	▪ Aimed at single parents with dependants ▪ Annual taxable income of no more than $125,000 ▪ Will be able to purchase a home with as little as a **2% deposit**
New Home Guarantee	▪ Will be expanded for a second year to allow first home buyers to build a new home or purchase a newly built home with as little as a **5% deposit**

The information contained in this newsletter is a combination of the interpretation and thoughts of this firm together with the various government, institutional and professional association reporting that has been made available since the 2020 Federal Budget was tabled.

The content of this information memorandum does not reflect all the announcements outlined in 2020 Federal Budget but simply highlights those points which are most likely to affects our clients.

The Mischel & Co Group Pty Ltd
Accountants and Business Advisors
Suite 102 First Floor 41 Cecil Street Southbank Vic 3006
Ph: 96849999 Fx: 96849988 Email: admin@mischco.com.au
Postal Address: PO Box 1380 St Kilda South Vic 3182