



Federal Budget 2022–23 Report

29 March 2022

Preamble



“This year our focus is on Diversity and Inclusion. This Budget has some welcome changes in this regard, but there is still more work to do.”

Jerome Tse, CTA
President, The Tax Institute.

A post-COVID Budget with an eye on the election

When the Federal Treasurer stood up tonight to deliver his fourth Budget, expectations for significant tax and productivity reforms were low. Unsurprisingly, we got little over those low expectations given the upcoming Federal election.

On the economic front, we are fortunate to have low unemployment. That is expected to lead to real wage increases after many years of households going backwards. We welcome the measures to alleviate the impacts of increasing grocery and petrol prices. The \$250 tax exempt cash grant for eligible pensioners and welfare recipients, the \$420 cost of living tax offset and the cut in fuel excise mirror the approach of other countries such as the United Kingdom to tackle these increasing pressures. Such one-off assistance can be appropriate in the short-term. That they are not ‘baked in’ as long-term solutions at least will avoid long-term fiscal damage.

We also welcome the support for those affected by floods and other disasters. The funding for income support, temporary accommodation and business rebuilding are much needed in many of our regional and rural communities, and also in some parts of our cities.

The Tax Institute has focused this year on diversity and inclusion, including through our pre-Budget submission. Tonight’s Women’s Budget Statement noted improvements in women’s workforce participation and the gender pay gap. However, there is more work to do on this front. We welcome changes to the paid parental leave system that will grant greater flexibility to working parents. This will hopefully encourage greater workforce participation by women and also encourage male and other partners to spend valuable time at home with their children.

We are also supportive of the innovation measures announced tonight. Australia has an extremely talented workforce that can only help power the country’s post-COVID economic recovery. Changes to the employee share scheme rules will benefit innovative start-up companies and may address some of the flaws outlined in our Case for Change. We also welcome measures to expand the patent box regime to the agricultural and low emissions technology sectors to help further Australian innovation, and the technology investment boost granting small businesses with a 20% bonus deduction to invest in their digital capability.

However, such measures come at a cost.

First, we are fortunate that high commodity prices are reducing the cost of ongoing budget deficits. Deficits aside, the clouds of inflation arising from increasing input costs (including wages) and supply chain delays means any gains we have are likely to be short-lived. The current skills shortage will not be solved by changes to apprenticeship schemes, however welcome they are. We must consider how to sensibly invest our education dollars in a more productive and better educated workforce.

It is trite to say that this Budget was designed with an eye on the upcoming election. Unfortunately, little of what has been announced is likely to make a difference to the long-term health of the economy and the Budget.

The Tax Institute believes there is an urgent need to address the underlying systemic issues in our tax rules that necessitate special ‘fixes’. That our tax rules are so complex and give rise to so many anomalous results is the elephant in the room that all sides of politics continue to ignore. This Budget has largely missed the opportunity to make the kind of structural changes that could set up a healthy, robust economy for the future, foster activity in the private sector and address key existential risks such as climate change. The absence of such reforms will only keep the country from performing at its best.

Whichever party wins the upcoming election, they are going to have to face up to the need to address tax and other reform.

The Tax Institute will continue to press for urgent systemic tax reform for the betterment of the tax and transfer system, while simultaneously educating and advocating for our members.

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Post-Budget Analysis and Insights Report

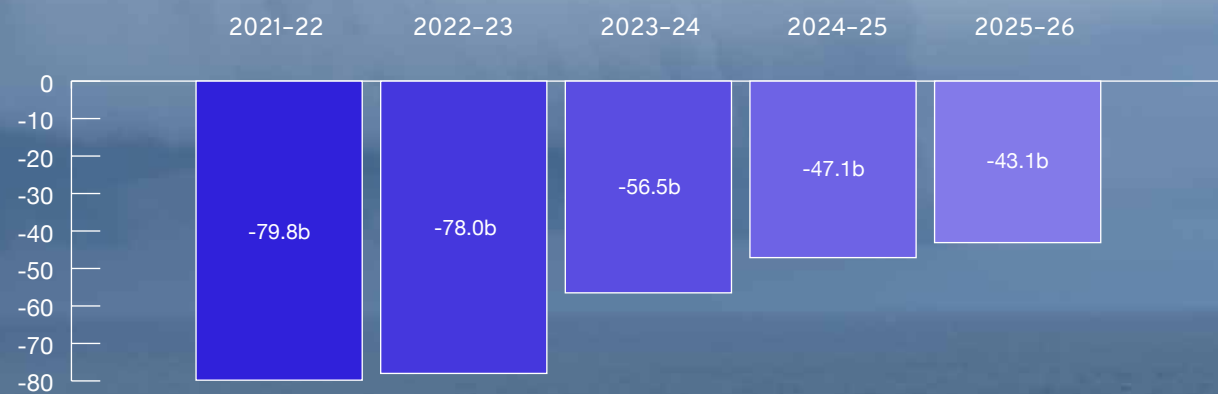
This year, you will find our deeper dive into the key tax and superannuation measures announced in the Federal Budget 2022–23 set out in our Post-Budget Analysis and Insights Report. This contains practical insights on the measures, and it discusses how the Budget impacts you and your clients.

The Post-Budget Analysis and Insights Report will be available on Thursday 31 March 2022, as part of the comprehensive materials that will be provided ahead of Part 2 of our post-Budget webinar series: Post-Budget Analysis and Insights Panel.

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The 2022–23 Financial Outlook

Underlying Cash Balance



Gross Debt



Investments



Aged Care:
\$29.8b in
2022-23



Infrastructure:
an additional
\$17.9b over
10 years



Defence:
\$575b to
2029-30



Women &
Children:
Additional
\$2.1b



Education:
\$25.3b
recurrent
annual
funding



Cyber
Security:
\$9.9b

Key Tax Measures

- Cost of living tax offset and payment
- Small business - skills and training boost
- Small business - technology investment boost
- Patent box expansion and policy updates
- Temporary reduction in fuel excise
- COVID-19 test expenses - tax deductibility and FBT exemption
- Superannuation - extension of temporary reduction in minimum pension draw-down rates
- Modernising PAYG instalment systems

Real GDP

2021-22	2022-23	2023-24	2024-25	2025-26
4.25%	3.50%	2.50%	2.50%	2.50%

Inflation (CPI)

2021-22	2022-23	2023-24	2024-25	2025-26
4.25%	3.00%	2.75%	2.75%	2.50%

Wage Growth

2021-22	2022-23	2023-24	2024-25	2025-26
2.75%	3.25%	3.25%	3.50%	3.50%

Unemployment

2021-22	2022-23	2023-24	2024-25	2025-26
4.00%	3.75%	3.75%	3.75%	4.00%

Start dates at a glance

Announced Measure

Start Date

Personal Tax & Transfer

Increasing the Medicare levy low-income thresholds	1 July 2021
Cost of living tax offset	Increase to LMITO for the 2021-22 income year. Paid from 1 July 2022
Cost of living payment	April 2022
Affordable Housing and Home Ownership	2022-23

Superannuation & Retirement

Supporting Retirees – extension of the temporary reduction in superannuation minimum draw-down rates	Extended for a further year to 30 June 2023
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Tax issues for SMEs

Small Business – skills and training boost	7.30pm on 29 March 2022 (until 30 June 2024)
Small Business – technology investment boost	7.30pm on 29 March 2022 (until 30 June 2023)
Varying the GDP uplift factor for PAYG and GST instalments	2022-23 income year
Deferral of Shadow Economy measure – strengthening the ABN system	Deferred by 12 months
Primary Producers – increasing concessional tax treatment for carbon abatement and biodiversity stewardship income	1 July 2022

Corporate Tax

Patent Box – expanding the patent box tax concession to agricultural sector innovations	Income years starting on or after 1 July 2023
Patent Box – expanding the patent box tax concession to low emissions technology innovations	Income years starting on or after 1 July 2023
Patent Box – tax concession for Australian medical and biotechnology innovations: updated policy specifications	Income years starting on or after 1 July 2022
Employee Share Schemes – expanding access and further reducing red tape	Undisclosed

Tax Administration

Modernisation of PAYG instalment system	1 January 2024
Smarter reporting of TPRS data	1 January 2024
Tax Integrity – extension of the ATO Tax Avoidance Taskforce on multinationals, large corporates and high wealth individuals	Extended by 2 years to 30 June 2025
Digitalising trust income reporting and processing	1 July 2024
Reducing compliance costs for businesses through enhanced sharing of STP data	2022-23

Other Measures

Addressing cost of living pressures – temporary reduction in fuel excise	12.01am on 30 March 2022 (until 11.59pm on 28 September 2022)
COVID-19 Response Package – tax deductibility of COVID-19 test expenses	From 1 July 2021
COVID-19 Economic Support – Business Support Payments and Pandemic Leave Disaster Payment	2021-22
Philanthropy – updates to specifically listed DGRs	1 July 2022

Personal Tax & Transfer

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 2021.

The thresholds will be increased:

- for singles – from \$23,226 to \$23,365;
- for families – from \$39,167 to \$39,402;
- for single seniors and pensioners – from \$36,705 to \$36,925; and
- for family seniors and pensioners – from \$51,094 to \$51,401.

For each dependent child or student, the family income thresholds increase by a further \$3,619 (previously \$3,597).

This measure is announced each year to take account of recent movements in the consumer price index so that low-income individual taxpayers continue to be exempt from paying the Medicare levy.

Increase in the LMITO

The Government announced that it will provide a cost of living tax offset, by increasing the Low and Middle Income tax offset (LMITO) for the 2021–22 income year by \$420. This will increase the maximum amount of the LMITO from \$1,080 to \$1,500 (for individuals) and \$3,000 (for couples). All other features of the LMITO remain unchanged, including its end date of 30 June 2022.

The objective of this measure is to reduce cost of living pressures experienced by Australian low and middle income earners that are most susceptible to cost of living pressures.

The LMITO is not a refundable tax offset. This means that if the taxpayer does not have an income tax liability, they are not entitled to the LMITO. If their tax liability is less than the LMITO, the excess of the LMITO over their tax liability is not refundable.

The following table sets out the amounts eligible taxpayers may receive under the LMITO:

Table 1: Amount of the LMITO for 2021–22

Tax bracket	Legislated rate for 2021–22	Proposed rate for 2021–22
\$0–\$37,000	\$255	\$675 (i.e. \$255 + \$420)
\$37,001–\$48,000	\$255 plus 7.5% of the amount of the income that exceeds \$37,000	\$675 (i.e. \$255 + \$420) plus 7.5% of the amount of the income that exceeds \$37,000
\$48,001–\$90,000	\$1,080	\$1,500 (i.e. \$1,080 + \$420)
\$90,001–\$126,000	\$1,080 less 3% of the amount of the income that exceeds \$90,000	\$1,500 (i.e. \$1,080 + \$420) less 3% of the amount of the income that exceeds \$90,000
\$126,001 and over	Nil	Nil

Cost of living payments

The Government proposes to provide a \$250 economic support payment to help eligible recipients with higher cost of living pressures. The payment will be made in April 2022 to eligible recipients of the following payments and to concession card holders:

- Age Pension
- Disability Support Pension
- Parenting Payment
- Carer Payment
- Carer Allowance (if not in receipt of a primary income support payment)
- Jobseeker Payment
- Youth Allowance
- Austudy and Abstudy Living Allowance
- Double Orphan Pension
- Special Benefit
- Farm Household Allowance
- Pensioner Concession Card (PCC) holders
- Commonwealth Seniors Health Card holders
- Eligible Veterans' Affairs payment recipients and Veteran Gold card holders.

The payments are exempt from tax and will not count as income support for the purposes of any income support payment. A person can only receive one economic support payment, even if they are eligible under two or more of the categories outlined above. The payment will be available only to Australian residents.

Affordable housing and home ownership

The Government proposes to increase the number of guarantees under the Home Guarantee Scheme to 50,000 per year for three years from 2022–23 and then 35,000 a year ongoing to support homebuyers to purchase a home with a lower deposit.

Under the expanded Home Guarantee Scheme, the Government will make available:

- From 1 July 2022 – 35,000 guarantees per year ongoing for the First Home Guarantee (formerly the First Home Loan Deposit Scheme), up from the current level of 10,000, under the First Home Guarantee, to support eligible first homebuyers to purchase a new or existing home with a deposit as low as 5%;
- Each year from 1 July 2022 to 30 June 2025 – 5,000 places per year to 30 June 2025 to expand the Family Home Guarantee announced in the Federal Budget 2021–22. Australia's first ever specifically targeted single parent family housing scheme supports eligible single parents with children to buy their first home or to re-enter the housing market with a deposit of as little as 2%; and
- Each year from 1 October 2022 to 30 June 2025 – 10,000 places per year to 30 June 2025 for a new Regional Home Guarantee that will support eligible citizens and permanent residents who have not owned a home for five years to purchase a new home in a regional location with a minimum 5% deposit.

This will come at a cost of \$8.6 million over 4 years from 2022–23 and \$138.7 million over 7 years from 2026–27, with \$20.5 million per year ongoing from 2033–34.

The Government will also increase the Government guaranteed liability cap of the National Housing and Finance Investment Corporation (NHFIC) by \$2.0 billion to \$5.5 billion to enable NHFIC to support increased loans through the Affordable Housing Aggregator, which increases support for affordable housing.

This measure builds on the Mid-Year Economic and Fiscal Outlook (MYEFO) 2021–22 measure titled Supporting the Delivery of More Affordable Housing and the Federal Budget 2021–22 measure titled Housing Package.

The Home Guarantee Scheme ensures part of an eligible buyer's home loan is guaranteed by the Government, enabling Australians to buy a home sooner with a smaller deposit and without needing to pay lenders mortgage insurance.

The scheme has particularly supported women and front-line workers, with one in five guarantees issued to essential workers, almost 35% of whom were nurses and 34% were teachers.

Of the total guarantees issued, 52% went to women, while 85% of Family Home Guarantees were taken up by single mothers.

The expansion of the Home Guarantee Scheme adds to the HomeBuilder program, the First Home Super Saver Scheme, and the work of the National Housing Finance and Investment Corporation.

The Government has also announced it will legislate amendments to the *National Housing Finance and Investment Corporation Investment Mandate Direction 2018* to implement key components of the Government's response to the *Statutory Review of the Operation of the National Housing Finance and Investment Corporation Act 2018* (the Review).



Superannuation & Retirement

Extension of the temporary reduction in minimum pension draw-down rates

The Government proposes to extend the temporary reduction in the minimum pension drawdown rates required for account-based pensions and annuities, allocated pensions and annuities and market-linked pensions and annuities by 50% for a further 12 months to 30 June 2023.

In 2020, the Government introduced this measure for the 2019-20 and the 2020-21 financial years. On 29 May 2021, the Government extended this measure by a further 12 months to 30 June 2022.

This mirrors similar temporary reductions following the Global Financial Crisis from the 2008-09 to the 2012-13 income years.

The objective of this measure is to assist retirees, whose account balances of their superannuation pensions and annuities have been negatively affected by the significant losses in financial markets as a result of the COVID-19 pandemic.

The following table sets out the minimum draw-down rates for superannuation income streams.

TABLE 2: Minimum annual draw-down rates for superannuation income streams

Age	2008-09 to 2010-11 income years	2011-12 to 2012-13 income years	2013-15 to 2018-19 income years	2019-20 to 2022-23 income years
Under 65	2.0%	3.00%	4%	2.0%
65-74	2.5%	3.75%	5%	2.5%
75-79	3.0%	4.50%	6%	3.0%
80-84	3.5%	5.25%	7%	3.5%
85-89	4.5%	6.75%	9%	4.5%
90-94	5.5%	8.25%	11%	5.5%
95 or more	7.0%	10.50%	14%	7.0%



Tax issues for SMEs

New skills and training boost for small businesses

The Government will introduce a new skills and training boost to support small businesses to train and upskill their employees.

Eligible small businesses will be able to claim an extra 20% (allowing them to claim 120%) of the expenditure incurred on external training courses provided to their employees.

The external training courses will need to be provided to employees in Australia or online, and delivered by entities registered in Australia. Some training will be excluded, including in-house or on-the-job training and expenditure on external training courses for persons other than employees.

The temporary increased deduction will be available to small businesses with an aggregated turnover of less than \$50 million for eligible expenditure incurred between 7:30pm (AEDT) on 29 March 2022 and 30 June 2024.

The increased deduction for eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year (that is, in the 2023 income tax return). The extra deduction for eligible expenditure incurred between 1 July 2022 and 30 June 2024 will be claimed in the income year in which the expenditure is incurred (that is, in the 2023 and/or the 2024 income tax return).

New technology investment boost for small businesses

The Government will introduce a new technology investment boost to support small businesses to adopt digital technologies.

Eligible small businesses will be able to claim an extra 20% (allowing them to claim 120%) of the cost of the expenditure incurred on business expenses and depreciating assets that support the business' digital adoption. These include portable payment devices, cyber security systems or subscriptions to cloud based services.

The temporary increased deduction will be available to small businesses with an aggregated turnover of less than \$50 million for eligible expenditure incurred between 7:30pm (AEDT) on 29 March 2022 and 30 June 2023.

The increased deduction for eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year (that is, in the 2023 income tax return). The extra deduction for eligible expenditure incurred between 1 July 2022 and 30 June 2023 will be claimed in the income year in which the expenditure is incurred (that is, in the 2023 income tax return).

An annual cap of \$100,000 will apply in each qualifying income year.

Varying the GDP uplift factor for PAYG and GST instalments

The Government proposes to set the GDP uplift factor for Pay as you go (PAYG) and GST instalments at 2% for the 2022–23 income year. This uplift factor is lower than the 10% that would have applied under the statutory formula.

The objective of this measure is to provide cash flow support to small businesses, including sole traders, and other individuals with investment income, helping them to invest and grow. The Government expects around 2.3 million taxpayers to benefit from this measure.

This measure will apply to small to medium enterprises eligible to use the relevant instalment methods (up to \$10 million annual aggregated turnover for GST instalments and \$50 million annual aggregated turnover for PAYG instalments) in respect of instalments that relate to the 2022–23 income year and fall due after the enabling legislation receives Royal Assent.

Deferral of Shadow Economy measure to strengthen the Australian Business Number (ABN) system

The Government will defer the start date of the Shadow Economy measure – strengthening the ABN system measure that was originally announced in the Federal Budget 2019–20. The original measure had two primary components:

- Requiring ABN holders with an income tax return obligation to lodge their income tax returns from 1 July 2021; and
- Requiring ABN holders to confirm the accuracy of their details on the Australian Business Registry (ABR) annually from 1 July 2022.

The measure will be deferred by 12 months to assist with integration into the ABR services. This means that:

- ABN holders with income tax return obligations will be required to lodge their income tax returns from 1 July 2022; and
- ABN holders will be required to confirm the accuracy of their details on the ABR annually from 1 July 2023.

Primary Producers – Increasing concessional tax treatment for carbon abatement and biodiversity stewardship income

The Government proposes to allow the proceeds from the sale of Australian Carbon Credit Units (ACCUs) and biodiversity certificates generated from on-farm activities to be treated as primary production income for the purposes of the Farm Management Deposits (FMD) scheme and tax averaging from 1 July 2022.

The objective of this measure will change the taxing point of ACCUs for eligible primary producers to the year when they are sold and extend similar treatment to biodiversity certificates issued under the Agriculture Biodiversity Stewardship Market scheme, from 1 July 2022. Eligible primary producers are those who are currently eligible for the FMD scheme and tax averaging.

Currently, proceeds from selling ACCUs are treated as non-primary production income and are generally ineligible for concessional tax treatment under the FMD scheme or tax averaging. ACCU holders are taxed based on changes in the value of their ACCUs each year, which can result in tax liabilities prior to sale.

These changes are designed to encourage more primary producers in regional and remote areas to undertake additional carbon abatement and biodiversity stewardship activities.



Corporate Tax

Extension of patent box regime

The Government will expand the patent box regime announced in last year's Budget to cover more patents in a broader range of sectors.

In the Federal Budget 2021–22, the Government announced a patent box regime to encourage investment in Australian medical and biotechnology innovation. The regime proposed that, from 1 July 2022, income derived from Australian patents in the medical and biotechnology sectors would be taxed at an effective concessional corporate tax rate of 17% rather than the corporate tax rates applying to base rate entities and larger companies or those with significant proportions of passive income. Importantly, only granted patents which were applied for after the 2021–22 Budget announcement were proposed to be eligible.

The Government will now allow patents granted after 11 May 2021 to be also eligible for the regime, and recognise patents granted under the US and European regimes as well as those granted by IP Australia.

Further, following consultation, the Government has decided to expand the regime to cover the agricultural sector and low emissions technology innovations, the latter being foreshadowed as a possibility in last year's Budget. In the case of agricultural patents, the regime will apply to corporate taxpayers that commercialise their eligible patents linked to certain listed agricultural and veterinary chemical products. It will apply to patents issued after 29 March 2022 for income years starting on or after 1 July 2023. The same dates will apply for patents related to those low emission technologies identified by the Government in 2020 and 2021 statements.

The Government proposes to consult with industry on the detailed design of the patent box expansion.

Expanding access to employee share schemes (ESS) and further reducing red tape

The Government has announced it will expand access to ESS so more employees can partake in the growth of businesses. The objective of the measure is to reduce red tape.

The Government proposes to allow employers to make larger offers in connection with ESS in unlisted companies. Participants in the ESS will be able to invest up to:

- \$30,000 per participant per year (with unexercised options being accruable for up to 5 years), plus 70% of dividends and cash bonuses; or
- any amount, if it would allow them to immediately take advantage of a planned sale or listing of the company to sell their purchased interests at a profit.

The Government also proposes to remove regulatory requirements for offers to independent contractors, where they do not have to pay for interests.



Tax Administration

Modernisation of the Pay as you go (PAYG) instalment system

The Government will allow companies to choose to have their PAYG instalments calculated based on current financial performance. The objective of this measure is to support business cash flows by aligning PAYG instalment liabilities and business profitability.

The calculation of the PAYG instalments will be extracted from business accounting software, with some tax adjustments.

Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications of this measure.

Subject to advice from software providers about their capacity to deliver, it is anticipated that systems will be in place by 31 December 2023. The measure is expected to commence on 1 January 2024 with the application period of the enabling legislation commencing on or after that date.

Smarter reporting of Taxable Payments Reporting System (TPRS) data

The Government will enable businesses the option to report TPRS data through accounting software on the same lodgment cycle as their business activity statements. The objective of this measure will increase the accuracy and timeliness of reporting while lowering compliance costs for taxpayers.

This will allow the Taxable Payments Annual Report (TPAR) to be lodged electronically on a monthly or quarterly basis instead of annually.

The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications of the measure.

Subject to advice from software providers about their capacity to deliver, it is anticipated that systems will be in place by 31 December 2023. The measure is expected to commence on 1 January 2024 with the application period of the enabling legislation commencing on or after that date.

Extension of the ATO's Tax Avoidance Taskforce

Since 2016, the Government has provided the ATO with significant funds to address corporate and trust tax avoidance. The Government will extend the Tax Avoidance Taskforce by two years at a cost of \$652.6 million. The measure is designed to increase tax receipts by \$2.1 billion over the 2023–24 to 2025–26 income years.

Digitalising trust income reporting

The Government will digitalise trust and beneficiary income reporting and processing, by allowing trust income tax returns to be lodged electronically. To date, trust income reporting and assessment calculation processes have not been automated to the same extent as individual or company tax returns. While tax agent lodgment systems have catered for trust tax returns, trustees have not been able to lodge tax returns themselves electronically. This has resulted in longer processing times and limited pre-filing opportunities.

This measure will reduce the compliance burdens on taxpayers, reduce processing times, increase pre-filing and automate ATO assurance processes.

This measure will commence from 1 July 2024, subject to advice from software providers about their capacity to deliver. The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications.

Enhanced sharing of Single Touch Payroll (STP) data

The Government will commit \$6.6 million over the forward estimates period for the development of IT infrastructure required to allow the ATO to share STP data with State and Territory Revenue Offices on an ongoing basis.

Funding for this measure has already been provided by Government, and will be deployed after further consideration of which states and territories are able and willing to make investments in their own systems and administrative processes to pre-fill payroll tax returns with STP data, to reduce compliance costs for businesses.

Other Measures

Temporary reduction in fuel excise

The Government proposes to halve the excise and excise-equivalent customs duty rate that applies to petrol and diesel for six months. As part of this measure, the Government also proposes to halve excise and excise-equivalent customs duty rates for all other fuel and petroleum-based products, except aviation fuels, for six months.

The rate of excise and excise-equivalent customs duty currently applying to petrol and diesel is 44.2 cents per litre. This measure will halve the rate on petrol and diesel to 22.1 cents per litre from 30 March 2022.

This measure will commence from 12:01am on 30 March 2022 and will remain in place for six months, ending at 11:59pm on 28 September 2022.

The Australian Competition and Consumer Commission (ACCC) will monitor the price behaviour of retailers to ensure that the lower excise rate is fully passed on to Australians.

Tax deductibility and FBT exemption for COVID-19 test expenses

The Government proposes to make the costs of taking a COVID-19 test to attend a place of work tax deductible for individuals from 1 July 2021. The Government also proposes to ensure Fringe benefits tax (FBT) will not be incurred from 1 April 2021 by businesses where COVID-19 tests are provided to employees for this purpose.

The Government previously announced this measure on 8 February 2022 in a media release by the Minister for Housing and Assistant Treasurer, the Hon Michael Sukkar MP.

COVID-19 economic support

The Government proposes to provide a further \$53.9 million in the 2021–22 financial year to extend COVID-19 Business Support Payments and access to the Pandemic Leave Disaster Payment.

This measure builds on the MYEFO 2021–22 measure titled COVID 19 Response Package – COVID 19 Business Support. As part of this measure, the Government provided \$7.3 billion in the 2021–22 financial year for COVID-19 Business Support Payments to assist businesses in coping with the effects of extended lockdowns and border closures.

This measure has been jointly funded by the Federal Government alongside the State and Territory Governments, each providing 50% of the funding.

These measures were originally announced on 16 July 2021 in a media release by the Prime Minister, the Hon Scott Morrison MP.

Updates to specifically listed DGRs

The Government proposes to amend the tax law to specifically list the following organisations as deductible gift recipients (DGRs) for donations made within the specified dates:

- Melbourne Business School Ltd from 1 July 2022
- Advance Global Australians Ltd from 1 July 2022 to 30 June 2027
- Leaders Institute South Australia Inc from 1 July 2022 to 30 June 2027
- St Patrick's Cathedral Melbourne Restoration Fund from 1 July 2022 to 30 June 2027
- Up to 28 entities related to community foundations affiliated with the peak body
- Community Foundations Australia from 1 July 2022 to 30 June 2027.

The Government will also extend the listing of Sydney Chevra Kadisha as a DGR for two years from 1 July 2022 to 30 June 2024.

Community foundation-related entities will not be listed unless their governing rules do not permit a use of funds beyond that permitted for entities endorsed under the DGR categories in the tax law. Entities will also need to demonstrate that they will maintain minimum annual distributions, consistent with the current requirements for ancillary funds. Taxpayers may claim an income tax deduction for donations of \$2 or more to DGRs.



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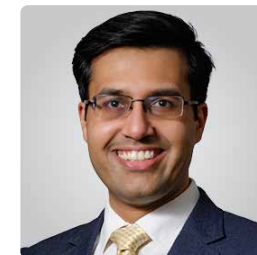
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