



JUNE 2020 CLIENT NEWSLETTER

Welcome...to The Enterprise Sanctuary's June 2020 newsletter.

Amid this pandemic, we are here to help and support you and your business navigate through this tough time.

Today, we will have a look at business support fund from the Victorian Government, land tax relief by the State Revenue Office and some guidelines by the ATO in claiming working from home expenses during the Covid-19 pandemic.



**Victorian Government
Business Support
Fund**

**State Revenue Office
land tax relief**

**Expense claim for
Working from Home
during COVID-19**

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VIC GOV BUSINESS SUPPORT FUND

On 1 May 2020, the Victorian Government announced that the Business Support Fund will be expanded to include businesses who are participating in the Commonwealth Government's JobKeeper program (except non-employing sole traders) regardless of the sector they operate in.

The updated program guidelines provides details on the eligibility criteria for the new JobKeeper stream (Stream Two).

Potential value of grant

One-off funding of \$10,000 per business is available and will be allocated through a grant process.

Eligibility

- Employ people; and
- Have a turnover of more than \$75,000; and
- Have payroll of less than \$650,000; and
- Hold an Australian Business Number (ABN) and have held that ABN at 16 March 2020; and
- Have been engaged in carrying out the operation of the business in the Australian State of Victoria on 16 March 2020, and
- For Stream One - operate in an industry sector that has been subject to closure or highly impacted by the restrictions announced by the Victorian Government; OR
- For Stream Two - be enrolled as eligible participants in the Commonwealth Government's payment scheme.

Please contact us at The Enterprise Sanctuary if you would like to talk about this topic in more detail.

SRO LAND TAX RELIEF

Landlords who provide tenants impacted by the coronavirus pandemic with rent relief and those unable to secure a tenant because of the pandemic may be eligible for a 25% reduction on the property's 2020 land tax.

Landlords can also defer payment of their remaining 2020 land tax up to 31 March 2021.

Eligibility

If your property is tenanted

- You must provide rent relief to your tenant consistent with the principles of the Government's Support to Landlords and Tenants package.
- Your tenant's ability to pay their normal rent must be impacted by the coronavirus pandemic.
- If the tenant is commercial (includes retail, office and industrial), your tenant must be:
 - a small or medium enterprise (annual aggregated turnover up to \$50 million), and
 - eligible for, and participating in, the Australian Government's JobKeeper Payment.
- Both you and your tenant must have agreed to a reduced rent, unless the tenant is a commercial tenant where land tax is an outgoing which is the contractual responsibility of the tenant, or the rent relief is the outcome of an approved mediation process.
- The rent reduction (in dollar terms) must be at least 25% of the 2020 proportional land tax (exclusive of absentee owner surcharge) for that property.
- Provide lease agreement or written evidence of the arrangement existing between the tenant and landlord prior to the coronavirus pandemic.
- Provide written evidence of the rent reduction or rent waiver that has occurred as a result of the impact of the coronavirus pandemic.
- If it is a commercial property, a 'Coronavirus land tax relief - commercial tenant details' form completed by your tenant.
- If the reduced rental amount is the result of mediation, a copy of the mediation agreement.

If your property is untenanted

- The property must have been tenanted in March 2020, or was the subject of an executed lease agreement in March 2020, which the tenant did not fulfil.
- The property must have subsequently been vacant for a continuous of three months because of the coronavirus pandemic.
- Provide lease agreement or written evidence of the arrangement existing between the tenant and landlord prior to the coronavirus pandemic.
- Provide the date the property was vacated and became available for rent and the advertised rental amount and date of advertisement (if applicable).
- Provide a copy of the property advertisement and any exclusive managing and leasing authority agreement with the real estate agent or property manager (if applicable).
- Provide description of how the coronavirus pandemic has impacted your ability to secure a tenant.

Please contact us at The Enterprise Sanctuary if you would like to talk about this topic in more detail.

WORKING FROM HOME EXPENSE CLAIM DURING COVID-19

ATO have legislated a new method for 'working from home' deduction specific for Covid-19 (i.e. the short cut deduction method).

The short cut deduction method

The short-cut method allows you to claim a rate of 80 cents for each hour you are working from home providing you are not reimbursed by your employer. You will need to keep a record of the hours in support of your work from home.

Have something on your computer or a small book in which you record the date, the time you spent working and the total hours worked on that day.

The short-cut method is only available due to the COVID-19 pandemic for work you do at home **from 1 March until 30 June**. So if this is the first time you've ever worked from home it may be a simple and easy way of claiming the deduction.

Working from home means, fulfilling your employment duties at home and not just carrying out minimal tasks such as occasionally checking emails or taking calls.

You do not have to have a separate or dedicated area of your home set aside for working, such as a private study.

The shortcut method rate covers all deductible running expenses, including:

- electricity for lighting, cooling or heating and running electronic items used for work (for example your computer), and gas heating expenses
- the decline in value and repair of capital items, such as home office furniture and furnishings
- cleaning expenses
- your phone costs, including the decline in value of the handset
- your internet costs
- computer consumables, such as printer ink
- stationery
- the decline in value of a computer, laptop or similar device.

You do not have to incur all of these expenses.

If you use the shortcut method to claim a deduction for your additional running expenses, you cannot claim a further deduction for any of the expenses listed above.

Please contact us at The Enterprise Sanctuary if you would like to talk about this topic in more detail.

Important: Clients should not act solely on the basis of the material contained in Client newsletter. Items herein are general comments only and do not constitute or convey advice. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The Client newsletter is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.