

2019-2020

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

As passed by both Houses

**Boosting Cash Flow for Employers
(Coronavirus Economic Response
Package) Bill 2020**

No. , 2020

**A Bill for an Act to provide for a cash flow boost
relating to the coronavirus, and for related
purposes**

Contents

1	Short title.....	1
2	Commencement.....	2
3	General administration of Act	2
4	Definitions.....	2
5	Entitlement to cash flow boost—first boosts.....	5
6	Entitlement to cash flow boost—second boosts	8
7	Amount of cash flow boost.....	10
8	Payment of cash flow boost.....	12
9	Overpayments etc.	13
10	General interest charge on overpayment debts	14
11	Time limits for cash flow boost.....	14
12	Review of decisions.....	16

Section 2

1 **2 Commencement**

- 2 (1) Each provision of this Act specified in column 1 of the table
3 commences, or is taken to have commenced, in accordance with
4 column 2 of the table. Any other statement in column 2 has effect
5 according to its terms.

6

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	The day this Act receives the Royal Assent.	

- 7 Note: This table relates only to the provisions of this Act as originally
8 enacted. It will not be amended to deal with any later amendments of
9 this Act.

- 10 (2) Any information in column 3 of the table is not part of this Act.
11 Information may be inserted in this column, or information in it
12 may be edited, in any published version of this Act.

13 **3 General administration of Act**

14 The Commissioner has the general administration of this Act.

- 15 Note: An effect of this provision is that people who acquire information
16 under this Act are subject to the confidentiality obligations and
17 exceptions in Division 355 in Schedule 1 to the *Taxation*
18 *Administration Act 1953*.

19 **4 Definitions**

- 20 (1) In this Act:

21 **ABN** has the meaning given by the *Income Tax Assessment Act*
22 *1997*.

23 **ACNC-registered charity** has the meaning given by the *A New Tax*
24 *System (Goods and Services Tax) Act 1999*.

- 1 **agent**: this Act applies to some entities that are not agents in the
2 same way as it applies to agents: see subsections (6) and (7).
- 3 **annual tax period** has the meaning given by the *A New Tax System*
4 *(Goods and Services Tax) Act 1999*.
- 5 **assessable income** has the meaning given by the *Income Tax*
6 *Assessment Act 1997*.
- 7 **assessed net amount** has the meaning given by the *Income Tax*
8 *Assessment Act 1997*.
- 9 **assessment** has the meaning given by the *Income Tax Assessment*
10 *Act 1997*.
- 11 **associate** has the meaning given by the *A New Tax System (Goods*
12 *and Services Tax) Act 1999*.
- 13 **business** has the meaning given by the *Income Tax Assessment Act*
14 *1997*.
- 15 **cash flow boost** has the meaning given by subsections 5(1)
16 and 6(1).
- 17 **Commissioner** means the Commissioner of Taxation.
- 18 **entity** has the meaning given by the *Income Tax Assessment Act*
19 *1997*.
- 20 **general interest charge** means the charge worked out under
21 Part IIA of the *Taxation Administration Act 1953*.
- 22 **GST return** has the meaning given by the *Income Tax Assessment*
23 *Act 1997*.
- 24 **income year** has the meaning given by the *Income Tax Assessment*
25 *Act 1997*.
- 26 **large withholder** has the meaning given by the *Income Tax*
27 *Assessment Act 1997*.
- 28 **medium business entity**, for an income year, means an entity
29 covered by subsection (2) for the income year.

- 1 (ii) the reference in paragraph 328-110(5)(b) of that Act to a
2 small business entity were instead a reference to an
3 entity covered by this subsection.
- 4 (3) For the purposes of this Act, in determining whether an entity is a
5 small business entity or a medium business entity for an income
6 year, treat the entity as carrying on a business in the year if the
7 entity is a non-profit body during the year.
- 8 (4) An entity's **withholding period total** for a period is the total of all
9 amounts that the entity withholds under Subdivision 12-B, 12-C or
10 12-D in Schedule 1 to the *Taxation Administration Act 1953* from
11 payments that it makes in the period.
- 12 (5) For the purposes of this Act, in determining whether an entity must
13 withhold amounts from payments under Subdivision 12-B, 12-C or
14 12-D in Schedule 1 to the *Taxation Administration Act 1953*,
15 disregard any provision that provides for an exception to the
16 entity's obligation to withhold such amounts.
- 17 (6) For the purposes of this Act, section 960-105 of the *Income Tax*
18 *Assessment Act 1997* applies in determining whether an entity is an
19 agent of another entity.
- 20 (7) For the purposes of subsection (6), treat the reference in
21 subsection 960-105(2) of the *Income Tax Assessment Act 1997* to
22 "a provision of this Act" as instead being a reference to "a
23 provision of this Act or of the *Boosting Cash Flow for Employers*
24 *(Coronavirus Economic Response Package) Act 2020*".

25 **5 Entitlement to cash flow boost—first boosts**

- 26 (1) An entity is entitled to a payment (known as a **cash flow boost**) for
27 a period covered by subsection (2) if:
28 (a) the entity makes a payment in the period; and
29 (b) the entity must withhold an amount from the payment under
30 Subdivision 12-B, 12-C or 12-D in Schedule 1 to the
31 *Taxation Administration Act 1953* (regardless of whether the
32 entity actually withholds the amount); and
33 (c) the period applies to the entity under subsection (3); and

Section 5

- 1 (d) any of the following requirements are satisfied:
- 2 (i) the entity was a small business entity or a medium
- 3 business entity for the most recent income year for
- 4 which there is an assessment in respect of the entity of a
- 5 kind mentioned in subparagraph (a)(ii) of the definition
- 6 of *assessment* in subsection 6(1) of the *Income Tax*
- 7 *Assessment Act 1936*;
- 8 (ii) the Commissioner is satisfied on a reasonable basis that
- 9 the entity is a small business entity or a medium
- 10 business entity for the income year in which the period
- 11 starts; and
- 12 (e) the entity notifies the Commissioner, in the approved form
- 13 lodged with the Commissioner, of its withholding period
- 14 total for the period; and
- 15 (f) either:
- 16 (i) the entity is an ACNC-registered charity at any time in
- 17 the period; or
- 18 (ii) the entity had an ABN on 12 March 2020, and the
- 19 requirement in subsection (5) or (6) is satisfied; and
- 20 (g) neither the entity nor any associate or agent of the entity has
- 21 entered into or carried out a scheme or part of a scheme for
- 22 the sole or dominant purpose of achieving any of the
- 23 following:
- 24 (i) making the entity entitled to the cash flow boost for the
- 25 period;
- 26 (ii) increasing the amount of the cash flow boost to which
- 27 the entity is entitled (disregarding this paragraph) for the
- 28 period.
- 29 (2) The following periods are covered by this subsection:
- 30 (a) the months of March 2020, April 2020, May 2020 and June
- 31 2020;
- 32 (b) the quarters ending on 31 March 2020 and 30 June 2020.
- 33 (3) A period applies to an entity if:
- 34 (a) for a period that is a month—the entity is a large withholder
- 35 or a medium withholder for the month; or

- 1 (b) for a period that is a quarter—the entity is a small withholder
2 for a month that starts in the quarter.
- 3 (4) For the purposes of subsection (3):
4 (a) treat an entity that is a large withholder or a medium
5 withholder for the first month in a quarter as being a large
6 withholder or a medium withholder for each month in the
7 quarter; and
8 (b) treat an entity that is a small withholder for the first month in
9 a quarter as being a small withholder for each month in the
10 quarter.
- 11 (5) For the purposes of paragraph (1)(f), the requirement in this
12 subsection is satisfied if:
13 (a) an amount was included in the entity’s assessable income for
14 the 2018-19 income year in relation to it carrying on a
15 business; and
16 (b) the Commissioner had notice on or before 12 March 2020 (or
17 a later time allowed by the Commissioner) that the amount
18 should be so included.
- 19 (6) For the purposes of paragraph (1)(f), the requirement in this
20 subsection is satisfied if:
21 (a) the entity made a taxable supply in a tax period that applied
22 to it that:
23 (i) started on or after 1 July 2018; and
24 (ii) ended before 12 March 2020; and
25 (b) the Commissioner had notice on or before 12 March 2020 (or
26 a later time allowed by the Commissioner) that the entity had
27 made the taxable supply.
- 28 (7) For the purposes of subsection (6), in determining whether the
29 entity made a supply (within the meaning of the *A New Tax System*
30 *(Goods and Services Tax) Act 1999*) that is a taxable supply:
31 (a) assume that the entity is registered (within the meaning of
32 that Act); and

- 1 (b) assume that the supply is neither GST-free (within the
2 meaning of that Act) nor input taxed (within the meaning of
3 that Act).

4 **6 Entitlement to cash flow boost—second boosts**

- 5 (1) An entity is entitled to a payment (also known as a *cash flow*
6 *boost*) for a period covered by subsection (2) if:
7 (a) the period covered by subsection (2) applies to the entity
8 under subsection (3); and
9 (b) the entity is entitled to one or more cash flow boosts for
10 periods covered by subsection 5(2); and
11 (c) the entity notifies the Commissioner, in the approved form
12 lodged with the Commissioner, in respect of the entitlement;
13 and
14 (d) either:
15 (i) the entity is an ACNC-registered charity at any time in
16 the period; or
17 (ii) the entity had an ABN on 12 March 2020, and the
18 requirement in subsection (5) or (6) is satisfied; and
19 (e) neither the entity nor any associate or agent of the entity has
20 entered into or carried out a scheme or part of a scheme for
21 the sole or dominant purpose of achieving any of the
22 following:
23 (i) making the entity entitled to the cash flow boost for the
24 period;
25 (ii) increasing the amount of the cash flow boost to which
26 the entity is entitled (disregarding this paragraph) for the
27 period.
- 28 (2) The following periods are covered by this subsection:
29 (a) the months of June 2020, July 2020, August 2020 and
30 September 2020;
31 (b) the quarters ending on 30 June 2020 and 30 September 2020.

32 Note: An entity may be entitled to a cash flow boost under subsection (1) for
33 the month of June 2020 or the quarter ending on 30 June 2020, and

- 1 also be entitled to a cash flow boost under subsection 5(1) for the
2 same month or quarter.
- 3 (3) A period applies to an entity if:
- 4 (a) for a period that is a month—the entity is a large withholder
5 or a medium withholder for the month; or
- 6 (b) for a period that is a quarter:
- 7 (i) the entity is a small withholder for a month that starts in
8 the quarter; or
- 9 (ii) the entity is not a large withholder, a medium
10 withholder or a small withholder for a month that starts
11 in the quarter.
- 12 (4) For the purposes of subsection (3):
- 13 (a) treat an entity that is a large withholder or a medium
14 withholder for the first month in a quarter as being a large
15 withholder or a medium withholder for each month in the
16 quarter; and
- 17 (b) treat an entity that is a small withholder for the first month in
18 a quarter as being a small withholder for each month in the
19 quarter.
- 20 (5) For the purposes of paragraph (1)(d), the requirement in this
21 subsection is satisfied if:
- 22 (a) an amount was included in the entity’s assessable income for
23 the 2018-19 income year in relation to it carrying on a
24 business; and
- 25 (b) the Commissioner had notice on or before 12 March 2020 (or
26 a later time allowed by the Commissioner) that the amount
27 should be so included.
- 28 (6) For the purposes of paragraph (1)(d), the requirement in this
29 subsection is satisfied if:
- 30 (a) the entity made a taxable supply in a tax period that applied
31 to it that:
- 32 (i) started on or after 1 July 2018; and
33 (ii) ended before 12 March 2020; and

Section 7

- 1 (b) the Commissioner had notice on or before 12 March 2020 (or
2 a later time allowed by the Commissioner) that the entity had
3 made the taxable supply.
- 4 (7) For the purposes of subsection (6), in determining whether the
5 entity made a supply (within the meaning of the *A New Tax System*
6 *(Goods and Services Tax) Act 1999*) that is a taxable supply:
7 (a) assume that the entity is registered (within the meaning of
8 that Act); and
9 (b) assume that the supply is neither GST-free (within the
10 meaning of that Act) nor input taxed (within the meaning of
11 that Act).

12 **7 Amount of cash flow boost**

13 *First boosts*

- 14 (1) If an entity is entitled to a cash flow boost for a period covered by
15 subsection 5(2), the amount of the entity's cash flow boost for the
16 period is:
17 (a) if the period is the first period for which the entity is entitled
18 to a cash flow boost—the greater of \$10,000 and the entity's
19 withholding period total for the period; or
20 (b) otherwise—the entity's withholding period total for the
21 period.

22 *Caps on amount of first boosts*

- 23 (2) The amount worked out under subsection (1) must be reduced to
24 the extent (if any) necessary to ensure that the sum of the entity's
25 cash flow boost for the period, and its cash flow boost for any
26 previous periods:
27 (a) does not exceed \$50,000; and
28 (b) if paragraph (1)(b) applies—does not exceed the sum of the
29 entity's withholding period totals for those periods.

30 Note: This may result in that amount being reduced to nil.

- 1 (3) For the purposes of subsections (1) and (2), treat an entity's
2 withholding period total for a period that is the month of March
3 2020 as being 3 times the actual amount of that withholding period
4 total.

5 *Second boosts*

- 6 (4) If an entity is entitled to a cash flow boost for a period covered by
7 subsection 6(2), the amount of the entity's cash flow boost for the
8 period is:
9 (a) if the period is a month—25% of the total of the amounts of
10 cash flow boosts to which the entity is entitled for periods
11 covered by subsection 5(2); or
12 (b) if the period is a quarter—50% of that total.
- 13 (5) Subsection (6) applies if:
14 (a) both of the following requirements are satisfied:
15 (i) the period of the month of June 2020 applies to the
16 entity under subsection 6(3);
17 (ii) the period of the quarter ending on 30 September 2020
18 applies to the entity under subsection 6(3); or
19 (b) both of the following requirements are satisfied:
20 (i) the period of the quarter ending on 30 June 2020 applies
21 to the entity under subsection 6(3);
22 (ii) the period of the month of July 2020 applies to the
23 entity under subsection 6(3).
- 24 (6) Despite subsection (4), the Commissioner may adjust the amount
25 of the entity's cash flow boost for a period worked out under that
26 subsection to ensure that:
27 (a) the total of the amounts of cash flow boosts to which the
28 entity is entitled for periods covered by subsection 6(2)
29 equals the total of the amounts of cash flow boosts to which
30 the entity is entitled for periods covered by subsection 5(2);
31 or
32 (b) the total of the amounts of cash flow boosts to which the
33 entity is entitled for periods covered by subsection 6(2) does
34 not exceed the total of the amounts of cash flow boosts to

1 accordance with Division 31 of the *A New Tax System*
2 *(Goods and Services Tax) Act 1999*;

3 (c) the time at which the entity actually gives the Commissioner
4 that GST return.

5 (3) Subsection (2) does not apply if the 2019-20 financial year is an
6 annual tax period that applies to the entity or if the entity is not
7 registered (within the meaning of the *A New Tax System (Goods*
8 *and Services Tax) Act 1999*). Instead, if the Commissioner is
9 satisfied that the entity is entitled to a cash flow boost for a period
10 covered by subsection 6(2), the Commissioner must pay the entity
11 that cash flow boost no later than the later of:

12 (a) the time of the notification mentioned in paragraph 6(1)(c);

13 or

14 (b) either:

15 (i) if the period is the quarter ending on 30 June 2020—
16 28 July 2020; or

17 (ii) if the period is the quarter ending on 30 September
18 2020—28 October 2020.

19 **9 Overpayments etc.**

20 (1) This section applies if:

21 (a) the Commissioner pays an amount by way of a cash flow
22 boost for an entity; and

23 (b) either:

24 (i) the entity was not entitled to the cash flow boost; or

25 (ii) the amount paid is more than the correct amount of the
26 entity's cash flow boost.

27 (2) The entity is liable to repay the following amount to the
28 Commonwealth:

29 (a) if the entity was not entitled to the cash flow boost—the
30 whole of the amount referred to in paragraph (1)(a);

31 (b) if the amount paid is more than the correct amount of the
32 cash flow boost—the amount by which the amount paid
33 exceeds the correct amount.

- 1 (3) An amount that an entity is liable to repay under subsection (2) is
2 due and payable on the day on which the Commissioner pays the
3 amount referred to in paragraph (1)(a).

4 **10 General interest charge on overpayment debts**

- 5 (1) If:
6 (a) an entity is liable under subsection 9(2) to repay an amount;
7 and
8 (b) the whole or a part of the amount remains unpaid after the
9 time by which the amount is due to be paid;
10 the entity is liable to pay general interest charge on the unpaid
11 amount.
- 12 (2) An entity who is liable under this section to pay general interest
13 charge on an unpaid amount is liable to pay the charge for each day
14 in the period that:
15 (a) started at the beginning of the day by which the unpaid
16 amount was due to be paid; and
17 (b) finishes at the end of the last day at the end of which any of
18 the following remains unpaid:
19 (i) the unpaid amount;
20 (ii) general interest charge on any of the unpaid amount.

21 **11 Time limits for cash flow boost**

- 22 (1) Despite anything in this Act:
23 (a) the Commissioner must not pay an amount by way of a cash
24 flow boost after 30 June 2026; and
25 (b) if:
26 (i) an entity is entitled to a cash flow boost for a period
27 (disregarding this paragraph); and
28 (ii) the Commissioner would contravene paragraph (a) by
29 paying that cash flow boost;
30 the entity is not entitled to the cash flow boost for the period.
- 31 (2) Despite anything in this Act:

- 1 (a) the Commissioner must not pay an amount by way of a cash
2 flow boost for a period if the entity fails to notify the
3 Commissioner, in the approved form lodged with the
4 Commissioner and by the deadline mentioned in
5 subsection (3), of:
- 6 (i) for a period covered by subsection 5(2)—its
7 withholding period total for the period; or
8 (ii) for a period covered by subsection 6(2)—its entitlement
9 to the cash flow boost for the period; and
- 10 (b) if:
- 11 (i) an entity is entitled to a cash flow boost for a period
12 (disregarding this paragraph); and
13 (ii) the Commissioner would contravene paragraph (a) by
14 paying that cash flow boost;
- 15 the entity is not entitled to the cash flow boost for the period.
- 16 (3) For the purposes of paragraph (2)(a), for a period covered by
17 subsection 5(2), the deadline is 2 years after the day on which the
18 entity must notify the Commissioner under subsection 16-150(1) in
19 Schedule 1 to the *Taxation Administration Act 1953* of an amount
20 that it must pay the Commissioner in respect of an amount that it
21 withheld in the period.
- 22 (4) For the purposes of paragraph (2)(a), for a period covered by
23 subsection 6(2), the deadline is:
- 24 (a) unless paragraph (b) applies—2 years after the time at which
25 the entity must give the Commissioner its GST return for the
26 tax period corresponding to the period in accordance with
27 Division 31 of the *A New Tax System (Goods and Services
28 Tax) Act 1999*; or
- 29 (b) if the 2019-20 financial year is an annual tax period that
30 applies to the entity:
- 31 (i) if the period is the quarter ending on 30 June 2020—28
32 July 2022; or
33 (ii) if the period is the quarter ending on 30 September
34 2020—28 October 2022.

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12 Review of decisions

- (1) A person who is dissatisfied with a decision covered by subsection (2) may object against the decision, in the manner set out in Part IVC of the *Taxation Administration Act 1953*.
- (2) This subsection covers a decision of the Commissioner under this Act that the person:
 - (a) is not entitled to a cash flow boost for a period; or
 - (b) is entitled to a cash flow boost for a period of a particular amount.
- (3) For the purposes of this section, treat the reference in paragraph 14ZW(1)(c) of the *Taxation Administration Act 1953* to “notice of the taxation decision to which it relates has been served on the person” as instead being a reference to “the taxation decision to which it relates was made”.

(45/20)
