



Australian Government
Australian Taxation Office

Cash flow boost for employers

Eligibility companion guide

Eligible employers will receive between \$20,000 to \$100,000 in cash flow boost amounts by lodging each of their activity statements up to the month or quarter of September 2020. You don't need to apply.

If you're eligible, the cash flow boost will automatically be credited when you lodge your activity statements. Some employers may not be automatically eligible. If this is the case, we will need some additional information to determine your eligibility. For full details, visit ato.gov.au/cashflowboost

There are **six criteria** we look at to determine your eligibility for the cash flow boost. If you can answer **yes to all the criteria**, you will be automatically eligible.

Criteria

How we determine eligibility

1. Business Size

Are you a small or medium business entity or not-for-profit of equivalent size with aggregated annual turnover less than \$50million?

We determine your aggregated annual turnover for the year from your last income tax assessment based on the information we hold. This includes any associated entities, branches or consolidated GST groups to which you are connected.

Discretion available

In the following circumstances, you can contact us to provide information to demonstrate you meet the size criteria, if either:

- you're a new business and haven't previously lodged an income tax return because your business started on or after 1 July 2019,
- your aggregated annual turnover was over \$50 million in previous years, but you can demonstrate that you expect your business to be a small or medium business entity with turnover less than \$50 million in the 2019–20 year.

2. Existence

Did you have an ABN on 12 March 2020 (or a later time allowed by the Commissioner of Taxation)?

We look at the date of your ABN registration.

Discretion available in very limited circumstances

PS LA **2020/1** provides guidance on the very limited circumstances that we will exercise the discretion to give you additional time to hold an ABN.

You should only contact us if you believe the circumstances in PS LA 2020/1 apply to your business.

In all other cases you're not eligible for the cash flow boost, even if you obtained an ABN which had its date of effect backdated to before 12 March 2020.

Criteria

How we determine eligibility

3. Business activity

Did your business derive income or make a sale for any tax period starting after 1 July 2018 and ending before 12 March 2020?

We look for evidence that you have derived assessable income or made sales in the relevant periods. We identify this by either:

- an amount in your assessable business income for the 2018–19 income year
- an activity statement, GST return (or other document) showing you made a taxable, GST-free or input taxed sale.

No discretion available

We have no discretion. If you did not derive business income or make taxable, GST-free or input taxed sales during this period. **In these circumstances you are not eligible.**

4. Notice of business activity

Have you provided notice of your business activity (as detailed above) to us by 12 March 2020 (or a later time allowed by the Commissioner of Taxation)?

We look for any lodged returns on or before 12 March 2020. This includes either:

- the 2018–19 income tax return
- an activity statement with at least one sale reported for any of the following tax periods:
 - 2018–19 for annual lodgers
 - September 2018, December 2018, March 2019, June 2019, September 2019, or December 2019 for quarterly lodgers
 - July 2018 to February 2020 for monthly lodgers.

Discretion available in very limited circumstances

We have discretion to give you additional time to notify of us of your business activity in limited circumstances. For example, if you have deferrals in place. If you:

- can lodge your deferred returns before lodging your March 2020 quarterly or monthly activity statement, we should be able to determine your eligibility for this criterion.
- cannot lodge your deferred returns, or you're not required to lodge a return, you can contact us to provide evidence that during the relevant tax period you either:
 - derived assessable income or made a taxable, GST-free or input-taxed supply
 - made a sale that would be taxable, GST-free or input taxed supply if you were registered for GST.

5. PAYG withholding

Have you made payments which are subject to withholding and reported the amount withheld to us?

We look for whether you:

- had a PAYG withholding registration created on or before 12 March 2020
- made payments subject to withholding in the relevant period
- reported the amounts paid and amounts withheld at W1 and W2 of your activity statement for that period.

No discretion available

We have no discretion available for this criterion. If you were not registered for PAYG withholding and did not make payments subject to withholding, **you are not eligible.**

If you reported making payments subject to withholding but did not have a PAYG withholding registration at 12 March 2020, you will need to demonstrate that you did in fact have employees and were making eligible payments prior to 12 March 2020. **You may be eligible** if this evidence is available.

Criteria

How we determine eligibility

6. Integrity measures

You haven't changed the way you operate for the sole or dominant purpose of becoming entitled to, or increasing the amount of, the cash flow boost.

Tax minimisation schemes that are outside the spirit of the law may attract our attention. We refer to these as tax avoidance schemes or arrangements.

If you have made changes to your business structure or the way your remunerate workers for their labour since 12 March 2020 to bring yourself within the eligibility criteria for the cash flow boost, we may review your entitlement to any cash flow boost that may otherwise have been credited to you.

You are not eligible if you have entered into or carried out a scheme for the sole or dominant purpose of:

- becoming entitled to cash flow boosts when you would otherwise not be entitled
- increasing the amount of the cash flow boosts.

You will need to repay any amount of cash flow boost credits which you may have received. Penalties and interest will also apply to the overpayment.

Next steps

When you're eligible	When you're not eligible, but we have discretion	When you're not eligible and we have no discretion
<ul style="list-style-type: none"> ■ Lodge your activity statement and the cash flow boost will be credited. ■ If you don't automatically receive the credit, phone us on 13 28 66, option 7 and we'll escalate your case for review. ■ We cannot process any requests for eligibility reviews received via other channels. 	<ul style="list-style-type: none"> ■ Phone us on 13 28 66, option 7 and advise us of the additional information you can provide for us to review and determine your eligibility. ■ If we determine you are still ineligible after you've provided additional information, you have the right to object to our decision. 	<p>You will not receive a cash flow boost regardless of any additional information or evidence that you might provide to us.</p>