

Practice Update

September 2022

More COVID-19 business grants are now tax-free

The Federal Government has expanded the list of State and Territory COVID-19 grant programs that may be tax-free to eligible businesses.

A State or Territory Government COVID-19 grant payment will generally be tax-free if:

1. the payment is received under a grant program that is formally declared to be an eligible program;
2. the recipient carried on a business and had an aggregated turnover of less than \$50 million in the income year the payment was received, or in the previous income year; and
3. the payment was received in the 2021 or 2022 income year.

The following **Victorian** and **ACT** COVID-19 grant programs have recently been declared as eligible grant programs for these purposes:

- Business Cost Assistance Program Round Two – Top Up (Victoria).
- Business Cost Assistance Program Round Three (Victoria).
- Business Cost Assistance Program Round Four (Victoria).
- Business Cost Assistance Program Round Four – Construction (Victoria).
- Business Cost Assistance Program Round Five (Victoria).
- Commercial Landlord Hardship Fund 3 (Victoria).
- Impacted Public Event Support Program Round Two (Victoria).
- Licensed Hospitality Venue Fund 2021 – Top Up Payments (Victoria).
- Live Performance Support Program (Presenters) Round Two (Victoria).
- Live Performance Support Program (Suppliers) Round Two (Victoria).
- HOMEFRONT 3 (ACT).

ATO reminder about appointing an SMSF auditor

The ATO is reminding trustees of self-managed super funds ('SMSFs') that they need to appoint an approved SMSF auditor no later than 45 days before the lodgment of their fund's SMSF annual return (for example, for the 2022 income year).

In particular, the ATO says:

“Don't risk approaching an auditor the day before you need to lodge as it will result in an overdue lodgment.

Approved SMSF auditors are an important part of your lodgment and reporting obligations.

They review your fund's financial statements and make sure you're complying with super law.”