

# FEDERAL BUDGET WRAP



Treasurer Josh Frydenburg handed down the 2022-23 federal budget on 29<sup>th</sup> March 2022.

Some key points from the budget including previously announced measures:

## **Low and Middle Income Offset**

Previously the low and middle income offset was a maximum of \$1,080 for the 2021-22 year. This will be the final year of the offset.

The amount receivable depends on your adjusted taxable income with the full amount available if income between \$48,000 and \$90,000.

It is proposed that an additional \$420 will be added to the low and middle income offset in the 2021-22 year and it will not be extended beyond this financial year.

This is a non-refundable tax offset and therefore reduces tax payable.

Any unused excess rebate is not refunded to the taxpayer.

## **Fuel Excise Temporary Reduction**

The fuel excise will be reduced by 50% for 6 months starting from midnight on budget night.

## **\$250 cost of Living Payment**

The government will make a one off payment of \$250 in April 2022 to all eligible pensioners, welfare recipients, veterans and concession card holders.

The payment will be available to Australian Residents who are eligible recipients of the following:

- Age Pension
- Disability Support Pension
- Parenting Payment
- Carer Payment
- Carer Allowance
- Jobseeker Payment
- Youth Allowance
- Austudy and Abstudy Living Allowance
- Double Orphan Pension
- Special Benefit
- Farm Household Allowance
- Pensioner Concession Card Holders
- Commonwealth Senior Health Card holders
- Eligible Veterans Affairs payment recipients and Veteran Gold card holders

## **Personal Tax Rates**

No changes have been made to personal tax rates for 2022-23. Stage 3 personal tax cuts will commence in 2024-25 as previously legislated.

## **Covid-19 Tests – Tax Deductible**

The budget papers confirm that the costs of taking Covid-19 tests to attend a place of work are tax deductible for individuals from 1<sup>st</sup> July 2021.

Fringe Benefits Tax does not apply to employers who provide these for employees.

### **Small Business 20% Deduction Boost**

Businesses with turnover less than \$50m will receive a 20% uplift on deductions for eligible expenditure on external training courses and digital technology.

This will apply to expenditure incurred between 7:30pm on 29<sup>th</sup> March 2022 and 30<sup>th</sup> June 2024 (for skills training) and 30<sup>th</sup> June 2023 (for digital adoption).

### **Superannuation – Minimum Pensions**

The temporary 50% reduction in the minimum annual payment amounts for superannuation income streams will be extended a further year to take in to account the 2022-23 year.

### **Superannuation Guarantee**

The legislated rise in superannuation guarantee (10.5% for 2022-23) will continue unchanged.