



## Boosting cash flow for employers

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- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/)
- Last modified: 31 Jul 2020
- QC 61925

## Boosting cash flow for employers

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Temporary cash flow boosts will support small and medium businesses and not-for-profit organisations during the economic downturn associated with COVID-19.

Eligible businesses and not-for-profit (NFP) organisations who employ staff will receive between \$20,000 to \$100,000 in cash flow boost amounts by lodging their activity statements up to the month or quarter of September 2020.

The cash flow boosts will be delivered as credits in the activity statement system. They will generally be equivalent to the amount withheld from wages paid to employees for each monthly or quarterly period from March to June 2020. In practice, this means you keep the amounts you have withheld from payments for these periods. However, there are some [exceptions](#).

An additional cash flow boost will be applied when activity statements for each monthly or quarterly period from June to September 2020 are lodged. These credits are equal to the total boosts credited for March to June 2020. They will be paid out in either two or four instalments depending on your reporting cycle.


On this page:

- [What you need to know](#)
- [Eligibility](#)
- [Special eligibility rules](#)
- [Delivery of the cash flow boosts](#)
- [Accessing the cash flow boosts](#)
- [What you will receive](#)
- [Tax consequences](#)

See also:

- [COVID-19](#)
- [JobKeeper Payment](#)
- [Instant asset write-off for eligible businesses](#)
- [Backing business investment – accelerated depreciation](#)

## What you need to know

- For most businesses, the cash flow boost will automatically be credited to your account when you lodge your activity statement.
- When you lodge your June 2020 activity statement you may receive both initial and additional cash flow boosts as credits – see examples of [what you will receive](#) and check out our [Cash flow boost estimator \(XLSX 5.3MB\)](#)  to work out an estimate of your cash flow boost amount.
- The cash flow boost will be applied to reduce liabilities arising from the same activity statement – if there is credit remaining after this occurs, you will generally receive a refund of that amount.
- If you are due to receive a refund, we will generally pay it within 14 days.
- You must be eligible for the initial cash flow boost, in order to be eligible for the additional cash flow boosts.
- Any cash flow boost amounts you receive are non-assessable non-exempt (NANE) income and should be reported in the same way as you report other NANE income when lodging your tax return – see [Tax consequences](#).

## Eligibility

Businesses (including sole traders, companies, partnerships or trusts) and NFP organisations will be eligible to receive the cash flow boost if:

- you are a small or medium business entity or NFP of equivalent size (that is, an entity with aggregated annual turnover less than \$50 million)
- you held an Australian business number (ABN) on 12 March 2020.
- you either
  - made payments to employees subject to withholding (even if the amount you were required to withhold was zero), such as
    - salary and wages
    - director fees
    - eligible retirement or termination payments
    - compensation payments
    - voluntary withholding from payments to contractors
  - were required to pay an amount in relation to alienated personal services income you received (even if the amount you were required to pay was zero)
- on or before 12 March 2020, you lodged at least one of
  - a 2019 tax return showing that you had an amount included in your assessable income in relation to you carrying on a business
  - an activity statement or GST return for any tax period that started after 1 July 2018 and ended before 12 March 2020 showing that you made a taxable, GST-free or input-taxed sale.

There are only exceptional circumstances where we may have [discretion to give](#)

[you further time after 12 March 2020.](#)

You won't be disadvantaged if you have been given a deferral for your earlier activity statement or are not required to lodge your tax return yet. Read more about the [impact of lodgment deferrals](#).

You are not eligible for the cash flow boosts if you change the way you operate for the sole or dominant purpose of becoming entitled to cash flow boosts when you would otherwise not be entitled. Read more about [schemes](#).

If you don't meet these general eligibility criteria but think you may still be entitled to the boost, there are special eligibility rules for entities in the following situations:

- [New to business](#)
- [Charities](#)
- [Business created PAYG withholding role after 12 March 2020](#)
- [Entities that are not registered for GST](#)
- [Entities with a reduction in turnover to below \\$50 million](#)
- [Businesses with related parties, or that are part of a group](#)
- [Businesses with multiple branches](#)
- [Businesses that are part of a GST joint venture](#)
- [Businesses that use another entity to manage payroll](#)

#### Examples

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##### Example 1 – A business that is eligible for the cash flow boost

Robert has operated a small restaurant in Adelaide since 2015. He has had an ABN since then and pays wages to his chefs every week.

Robert's 2019 tax return is not due until May 2020. However, he has lodged all his activity statements since July 2018.

Robert is eligible to receive a cash flow boost.

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##### Example 2 – A business that does not pay employees

Angela runs a small convenience store in Darwin using a trust as her business vehicle. She is the only person who works in the business. She provides for her own remuneration by making trust distributions during the year and does not pay any wages.

As Angela does not make eligible payments to employees, she is not eligible to receive the cash flow boost.

On 15 March 2020, Angela realises her business is not eligible and applies to become registered for PAYG withholding, backdated to 1 March 2020. She changes her business records to reclassify some trust distributions as wages.

Angela is still not eligible to receive the cash flow boost because she has changed the way her business operates for the purpose of receiving a cash flow boost that she was not otherwise entitled to receive.

Find out about:

- [Special eligibility rules](#)
- [Delivery of the cash flow boosts](#)
- [Accessing the cash flow boosts](#)
- [What you will receive](#)
- [Tax consequences](#)

### Discretion to give you further time

We have discretion to give you further time, after 12 March 2020, to:

- hold an ABN
- provide us notice that business income or supplies were made.

However, the discretion is intended to be utilised only in very exceptional circumstances. This can include where you cannot satisfy the condition where:

- because although you were running an active business prior to 12 March 2020, you were not required to hold an ABN as a matter of law – for example, an entity which operates in the external territories of Australia is not required to have an ABN
- only because you have deferred your lodgment under an extension of lodgment date granted by the Commissioner of Taxation – for example, you had an automatic lodgment deferral in place, as you were affected by the Australian bushfires in late 2019, and you lodge your first activity statement after 12 March 2020.

We are unlikely to exercise the discretion to extend the 12 March 2020 date if doing so would be inconsistent with the integrity provisions. For example, where steps are taken to set up new entities, or revive dormant entities, solely for the sole or dominant purpose of accessing the cash flow boost.

Find out about:

- [Providing more information about your eligibility or ineligibility](#)
- [PS LA 2020/21 Commissioner's discretion to allow further time for an entity to register for an ABN or provide notice to the Commissioner of assessable income or supplies](#)

## Special eligibility rules

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/?page=2](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/?page=2)
- Last modified: 31 Jul 2020
- QC 61925

There are special eligibility rules for entities in some situations:

- [New to business](#)
- [Charities](#)
- [Business created PAYG withholding role after 12 March 2020](#)
- [Entities that are not registered for GST](#)
- [Entities with a reduction in turnover to below \\$50 million](#)
- [Businesses with related parties, or that are part of a group](#)
- [Businesses that are members of a consolidated or GST group](#)
- [Businesses with multiple branches](#)
- [Businesses that are part of a GST joint venture](#)
- [Businesses that use another entity to manage payroll](#)

### New to business

If you are a new business that did not have income in the 2018–19 year, you may still be eligible to receive the cash flow boost if you made supplies (or sales) in a tax period ending before 12 March 2020. The December 2019 quarter and the month of February 2020 are the last tax periods that end before 12 March 2020.

In most cases, if you lodged an activity statement before 12 March 2020 which showed sales, you will not need to do anything.

If you made a supply in one of those relevant tax periods but did not lodge any activity statements before 12 March 2020, you need to contact us and provide further information so that we can determine if you are eligible.

If your business made no sales before 1 January 2020 (for quarterly lodgers) or 1 March 2020 (for monthly lodgers) you will not be eligible.

Example – A business that is not eligible for the cash flow boost

Carmel applied for an ABN and started a food delivery business in February 2020. She has one employee that she pays wages to fortnightly.

Carmel's business was not operating in the 2018–19 year so she has not lodged a tax return. Because she reports GST quarterly, Carmel also has not made any sales in a tax period which ended before 12 March 2020.

Carmel is not eligible to receive a cash flow boost.

Find out about:

- [Providing more information about your eligibility or ineligibility](#)

## Charities

If you are a charity registered with the Australian Charities and Not-for-profits Commission (ACNC) you are eligible, regardless of when you were registered as a charity, if you:

- had an aggregated annual turnover under \$50 million (generally based on prior year turnover)
- made eligible payments that you were required to withhold from (even if the amount you were required to withhold is zero).

## Business created PAYG withholding role after 12 March 2020

The cash flow boost is intended for employers who:

- make payments subject to withholding
- withhold from these payments
- have not rearranged their affairs for the dominant purpose of making themselves eligible for the cash flow boost where they would not otherwise be eligible.

While having a PAYGW role before 12 March 2020 is not specifically required by legislation, we would expect that a business who has been paying wages or other relevant payments would already have been registered. A business without a PAYG withholding registration in place on 12 March 2020 would generally not be entitled to the cash flow boost.

There may be limited circumstances where the business was not registered on 12 March 2020 and may still be eligible. These circumstances include where:

- the business started employing in the March 2020 period, and either
  - the employees were engaged before 12 March 2020 but were not required to be paid until 12 March 2020 or later
  - the employees were engaged after 12 March 2020, but the business can demonstrate there were other reasons for engaging the employee after that date, taking into account the current economic environment that businesses are currently operating in
- the business has a history of paying wages to the relevant employees and can substantiate this.

If you can demonstrate the above circumstances, you will need to contact us and provide [additional information](#) (including about your employees) to allow us to determine if you're eligible.

A business that has a history of paying wages but has not been registered for PAYG withholding, may be liable for penalties for failing to withhold and failing to register for PAYG withholding.

Find out about:

- [PAYG withholding](#)
- [Failure to withhold](#)

## Entities that are not registered for GST

You don't need to be registered for GST to be eligible. If you have already lodged your 2019 tax return showing that you had an amount included in your assessable income in relation to you carrying on a business and meet other eligibility criteria, you do not need to do anything.

If you are not required to be registered for GST and you are not required to lodge a 2019 tax return (or it is not yet due), you may be eligible if you made a sale in the period 1 July 2018 to 31 December 2019. We will need you to provide us [additional information](#) about your business activity (such as sales made in relevant periods) to allow us to determine if you're eligible.

If your business made no sales before 1 January 2020, you will not be eligible.

### Example – not required to be registered for GST and tax return not due

FreshCo is a company that runs a small vegetable shop. It has held an ABN since July 2000, pays a weekly wage to two shop staff, but has never been required to register for GST. FreshCo's director, Mary, checks whether FreshCo will be eligible to receive the cash flow boost.

She considers the eligibility criteria. She determines she has met all the criteria except for demonstrating business activity by lodging (before 12 March 2020) her 2019 tax return showing business income, or an activity statement or GST return showing supplies.

As FreshCo is not required to be registered for GST, it has never lodged an activity statement or return for GST. FreshCo uses a tax agent to prepare their tax returns, and their 2019 tax return is not due until May 2020.

It appears as if FreshCo is not eligible to receive the cash flow boost because it has not lodged. However, Mary does some more research on the ATO website, and discovers advice about the impact of lodgment deferrals. She learns that because the law did not require FreshCo to have lodged before 12 March 2020, FreshCo can provide more information to confirm eligibility.

Mary decides that it is not possible to lodge FreshCo's 2019 tax return earlier than anticipated. Instead, she locates copies of invoices issued by FreshCo in December 2019 showing that FreshCo made a GST-free supply (that is, they sold vegetables) in a tax period which ended between 1 July 2018 and 12 March 2020. Mary attaches those invoices to a message in the Business Portal so that the ATO can confirm FreshCo's eligibility for the cash flow boost.

Find out about:

- [Providing more information about your eligibility or ineligibility](#)

### Entities with a reduction in turnover to below \$50 million

If your aggregated turnover in previous years was greater than \$50 million, but you expect it to be less than \$50 million in 2019–20, you may still be eligible to receive a cash flow boost.

[Contact us](#) to provide more information about your circumstances.

Example – A business that is experiencing a reduction in turnover

Sri runs a cellar door service for several regional wineries. The aggregated turnover of her business in 2018–19 was \$60 million.

In the financial year up to 29 February 2020, Sri's business had a turnover of \$40 million. However, as a result of restrictions imposed as a response to the coronavirus, Sri is not permitted to trade between 25 March and 30 June 2020. Therefore, she expects her aggregated turnover for 2019–20 year to be around \$41 million.

Sri contacts the ATO to discuss her eligibility for the cash flow boost and provides the additional supporting documents requested.

Find out about:

- [Providing more information about your eligibility or ineligibility](#)

### Businesses with related parties, or that are part of a group

Your aggregated turnover will include your annual turnover and the annual turnover of any entity that is connected with you or that is your affiliate. This may affect your eligibility for the cash flow boost. If you are part of a tax consolidated group or GST group these entities may be part of the same group, however it may also include entities which are outside these groups.

Broadly, an entity is connected with you if it can exercise control, such as voting rights and distributions of income or capital. An entity is an affiliate of yours if they act, or could reasonably be expected to act, according to your directions or wishes, in relation to their business affairs.

We will use the annual turnover in your most recent previous year's tax return, as well as other information held by us, to determine your eligibility. If your annual turnover and the annual turnovers of entities connected or affiliated with you total



more than \$50 million, then you (and the entities connected or affiliated with you) will not be eligible for the cash flow boost.

If you are not required to lodge a tax return, or don't have lodgments from previous years, you may still be eligible if we are satisfied that your aggregated annual turnover is under \$50 million.

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**Example – A business that is part of a group**

Companies B and C are subsidiaries of Company A. Each company reported individual annual turnover of \$26 million in their 2019 tax return.

Companies B and C are connected to Company A. Although Companies B and C each have annual turnover that is below \$50 million, their aggregated turnover includes the annual turnover of Company A. As their aggregated annual turnover is over \$50 million, they are not eligible to receive a cash flow boost.

See also:

- [Work out your aggregated turnover](#)

**Businesses that are members of a consolidated or GST group**

If you are a member of an income tax consolidated group or a GST group, you may be eligible for the cash flow boost if you can individually meet the eligibility criteria.

The lodgment of a tax return by the head company or a GST return by the representative member does not provide us enough information to determine your eligibility for the cash flow boost, even where they include amounts of assessable income or taxable supplies made by you.

We will need you to provide us [additional information](#) about your business activity (such as sales you made in the relevant periods) to allow us to determine if you're eligible).

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**Example – A business that is a member of a consolidated and GST group**

Companies Y and Z are members of an income tax consolidated group and a GST group for which Company X is both the head company for the tax consolidated group and the representative member of the GST group. Company X has the group's income tax and GST returns for the 2018–19 year.

The group returns do not provide enough information to show that Companies Y and Z each either:

- had business income in the 2018–19 year
- made a taxable, GST-free or input taxed supply in a tax period that started after 1 July 2018 and ended before 12 March 2020.

Companies Y and Z need to provide additional information about their business activity which shows the business income or supplies they made.

### Businesses with multiple branches

If you are an entity that operates several branches of a business using one ABN you are considered a single business for the purposes of the cash flow boost. This means you are not entitled to receive a separate cash flow boost for each branch.

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#### Example – A business that has multiple branches

Con runs three pharmacies in Townsville using his ABN. Each pharmacy pays staff separately and lodges separate activity statements.

Con is only entitled to receive the cash flow boost for a single business, not for each pharmacy.

### Businesses that are part of a GST joint venture

A GST joint venture cannot be registered for PAYG withholding however, entities that are members of the venture may be registered for PAYG withholding in their own right. In this scenario, the entitlement to cash flow boost will be determined based on the PAYG withholding reported by the joint venture member.

### Businesses that use another entity to manage payroll

Only an entity making payments subject to withholding and notifies us of the withholding amount may be eligible for the cash flow boost. If another entity is responsible for the payroll functions and withholding obligations for one or more other entities, then those other entities are not eligible for the cash flow boost.

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#### Example – A business that uses another entity to manage its payroll

Company A manages the payroll functions for Companies B, C and D. Company A pays the wages for all of Companies B, C and D's employees, withholds tax from the wages and reports and remits the amounts of PAYG withholding to the Commissioner.

Company A may be eligible for the cash flow boost. Companies B, C and D will not be eligible for the cash flow boost as they have not made any payments subject to withholding.

## Impact of lodgment deferrals

You won't be disadvantaged if, before 12 March 2020, we gave you a deferral for your:

- 2019 tax return, or it is not yet due for you
- activity statements, or you are not required to lodge an activity statement yet.

However, we will need more information to confirm your eligibility for the cash flow boosts if you:

- haven't lodged because of the deferral we gave you
- aren't able to lodge your deferred tax return or activity statement before you lodge your March 2020 activity statement.

If you are able to lodge your deferred tax return or activity statement before your March 2020 activity statement, we should be able to determine your eligibility when you lodge.

### Example – Deferred lodgment due dates

Hieu uses a tax agent to prepare his business income tax and annual GST returns. He did not lodge his 2019 tax return or annual GST return by 12 March 2020 because his due date for these lodgments is 15 May 2020.

Hieu remains eligible to receive the cash flow boost as long as he lodges his 2019 tax return or 2018–19 annual GST return before his due date.

If Hieu lodges his March 2020 activity statement before either of the 2018–19 returns are lodged, the cash flow boost will be credited when the first return is lodged.

Alternatively, Hieu can provide us with supporting documents that assist us to determine that he is eligible.

## Providing more information about your eligibility or ineligibility

We need some businesses to provide us with more information before we can determine that they are eligible to receive the cash flow boost. For example, we will need more information from:

- businesses with aggregated turnover that reduces to below \$50 million for the 2019–20 year
- businesses that do not have an obligation to lodge at least one of the following:
  - a 2019 tax return which shows an amount included in assessable income

in relation to carrying on a business

- an activity statement or GST return for any tax period that started after 1 July 2018 and ended before 12 March 2020 which shows a taxable, GST-free or input-taxed sale.

If you haven't received the cash flow boost automatically, check out our [eligibility companion guide](#) which gives an overview of how we determine eligibility.

If your business is not eligible to receive the cash flow boost but you are concerned that a cash flow boost has been credited to you – for example, because you have a business structure that makes identifying affiliates difficult. You can also contact us.

If you need to discuss your eligibility, phone us on 13 28 66 option 7.

See also:

- [Contact us](#)
- [Find it on ATO Community](#)

### **Additional information we may need as evidence**

The kinds of supporting documents we may ask for will depend on your circumstances.

If you have a reduction in turnover

For businesses that have experienced a reduction in turnover the documents may include:

- business records showing year-to-date turnover
- directives issued by state or territory governments that prohibit trading
- other documents that demonstrate the reasons for turnover declining.

If you have not lodged tax returns or activity statements

For businesses that have not lodged tax returns or activity statements and need to provide information about their business activity the documents may include:

- details of when the business commenced and the nature of the activities that the business carries on
- bank statements in the business name which confirm payments received in relation to business activity
- tax invoices or receipts provided for any supplies made by the business
- records of merchant payment facilities
- evidence of corporate structure, including ASIC registration for companies, partnership agreement, executed trust deed
- occupancy agreements (such as leases) for business premises
- documents showing business financing arrangements
- business contracts
- advertising of business services.

If we need documents about your employees

For businesses that need to provide additional information about their employees, we will need evidence that an employment relationship exists. This would include details of:

- who the employees are
- how long they have been employed
- the work contracts between your business and your employees
- payroll information
- employer insurance policies, such as for workers compensation insurance
- the work they performed in line with the remuneration
- superannuation payments you have made
- the nature of the work they conduct for your business.

Evidence of payments made which were subject to withholding

Businesses will also need to provide evidence that payments have been made to the employees during the relevant tax period. To show payments were made, we generally require copies of original bank statements verifying the salary and wage payments made to employees in the period. The original bank statements should be on an official bank letterhead and include the entity name and address of the business.

Further evidence of salary and wage payments may include:

- pay slips you have issued to employees
- employee declarations, such as a TFN declaration or withholding variation
- registration for, or remittance of, state and territory payroll taxes.

## Delivery of the cash flow boosts

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/?page=3](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/?page=3)
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Cash flow boosts will be delivered initially when you lodge your activity statements for each monthly or quarterly period from March to June 2020, and additionally from June to September 2020.

Find out about:

- [Initial cash flow boost](#)
- [Additional cash flow boost](#)

Initial cash flow boost

Timing

The initial cash flow boosts will be delivered as credits in the activity statement system when you lodge your activity statements for each monthly or quarterly period from March to June 2020.

When you lodge your June 2020 activity statement you will receive both initial and additional cash flow boosts as credits.

## Amount

Your initial cash flow boost amount is based on the amount of your PAYG withholding.

Eligible businesses that withhold tax on their employees' salary and wages will receive a credit equal to 100% of the amount withheld, with the following exceptions:

- Monthly lodgers will receive a credit for March 2020 which is 300% of their withholding for that month – this will provide an approximate equivalent to lodgers reporting quarterly.
- Eligible businesses will receive a minimum of \$10,000 across March to June 2020, even if their total withholding is less than \$10,000.
- Total cash flow boosts for March to June 2020 cannot exceed \$50,000.

If you receive the minimum credit of \$10,000 you will not be eligible to receive any more cash flow boosts until your PAYG withholding exceeds \$10,000 over the eligibility periods.

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### Example 1 – PAYG is less than \$10,000 in first period

Tim owns and runs a small paper delivery business in Melbourne and employs two casual employees who each earn \$10,000 per year. In the March 2020 quarterly activity statement, Tim reports:

- wages paid at W1
- \$0 at W2, because his employees are under the tax-free threshold.

The March 2020 quarter is the first period Tim is eligible for an initial cash flow boost. His withholding of \$0 is less than \$10,000. This means Tim's initial cash flow boost will be the minimum amount of \$10,000.

Tim will not receive any further initial cash flow boosts unless his withholding in the June 2020 quarter is greater than \$10,000. However, Tim may receive the additional boosts when he lodges his June and September activity statements (see [quarterly reporting example](#)).

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### Example 2 – Total cash flow boosts reaches maximum limit of \$50,000

Sarah owns and runs a building business in South Australia. She employs eight construction workers who each earn \$89,730 per year. In the activity statements for March, April, May and June 2020, Sarah reports:

- wages paid at W1
- withholding of \$15,008 at W2.

As her March 2020 withholding is greater than \$10,000, Sarah's initial cash flow boost is \$45,024 (3 × \$15,008).

For April 2020, Sarah's withholding is \$15,008. However, there is only \$4,976 of the initial cash flow boost remaining before she reaches the maximum limit of \$50,000. This means for April 2020 she will receive a further initial cash flow boost of \$4,976.

Sarah will not receive any further initial cash flow boosts after she has reached the \$50,000 limit.

## Key dates

If you lodge:

- quarterly – you will be eligible to receive the credit for
  - quarter 3 (January, February and March 2020) – lodgment due date is 28 April 2020 (see [note](#))
  - quarter 4 (April, May and June 2020) – lodgment due date 28 July 2020
- monthly – you will be eligible to receive the credit for
  - March 2020 – lodgment due date 21 April 2020
  - April 2020 – lodgment due date 21 May 2020
  - May 2020 – lodgment due date 22 June 2020
  - June 2020 – lodgment due date 21 July 2020.

Note: If you have been affected by the 2019–20 bushfires, automatic lodgment deferrals are in place until 28 May 2020.

## Additional cash flow boost

### Timing

If you received initial cash flow boosts, you will automatically receive additional cash flow boosts when you lodge your activity statements for each monthly or quarterly period from June to September 2020. These will be delivered in either two or four instalments, depending on your reporting period.

If you haven't made payments to employees subject to withholding from June onwards, report '0' for PAYG withholding when lodging your activity statement to ensure your business still receives the additional cash flow boost. It's important you don't cancel your PAYG withholding registration until you have received the additional cash flow boost.

## Amounts

The amounts will be equal to the total amount of initial cash flow boosts received and split evenly over the lodgments for the periods June 2020 to September 2020.

If you lodge:

- quarterly – you will receive 50% of your total initial cash flow boosts for each activity statement
- monthly – you will receive 25% of your total initial cash flow boosts for each activity statement.

Both the initial and the additional cash flow boosts will be credited when you lodge your June 2020 activity statement unless you already received the maximum \$50,000 of initial cash flow boosts from earlier periods.

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### Example 1 – quarterly activity statement

Tim received initial cash flow boost of \$10,000. When Tim lodges his June and September 2020 quarterly activity statements, he will receive additional cash flow boosts as follows:

- \$5,000 for quarter ended June 2020
- \$5,000 for quarter ended September 2020.

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### Example 2 – monthly activity statement

Sarah received the maximum initial cash flow boosts of \$50,000. When Sarah lodges her June to September 2020 activity statements she will receive additional cash flow boots as follows:

- June 2020 – \$12,500
- July 2020 – \$12,500
- August 2020 – \$12,500
- September 2020 – \$12,500.

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### Example 3 – withholding declining during the coronavirus situation

Mary has employees and withholds from their wages. She is eligible to receive the cash flow boost. When she lodges her quarterly activity statements she reports withholding as follows:



- March 2020 – \$12,000
- June 2020 – \$2,000
- September 2020 – \$0.

When she lodges her activity statements, Mary will receive cash flow boost credits of:

- March 2020 – \$12,000 from the initial cash flow boost
- June 2020 – \$2,000 from the initial cash flow boost plus \$7,000 from the additional cash flow boost
- September 2020 – \$7,000 from the additional cash flow boost.

## Key dates

If you lodge:

- quarterly – you will be eligible to receive the credit for
  - quarter 4 (April, May and June 2020) – lodgment due date is 28 July 2020
  - quarter 1 (July, August and September 2020) – lodgment due date 28 October 2020
- monthly – you will be eligible to receive the credit for
  - June 2020 – lodgment due date 21 July 2020
  - July 2020 – lodgment due date 21 August 2020
  - August 2020 – lodgment due date 21 September 2020
  - September 2020 – lodgment due date 21 October 2020.

Find out about:

- [Accessing the cash flow boosts](#)
- [What you will receive](#)
- [Tax consequences](#)

See also:

- [Due dates for lodging and paying your BAS](#)

## Accessing the cash flow boosts

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/?page=4](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/?page=4)
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To access the boosts, you must lodge your activity statement for PAYG withholding.

If your business is a large withholder for PAYG withholding purposes, you should continue to pay your PAYG withholding to us as normal. To receive the boosts, you

must lodge the activity statement for your other obligations (such as GST).

See also:

- [What you need to know](#)
- [Eligibility](#)
- [Delivery of the cash flow boost](#)
- [Tax consequences](#)

## What you will receive

The cash flow boosts will be applied to reduce liabilities arising from the same activity statement.


To support eligible entities during the period associated with COVID-19, any excess credit from the activity statement that received the cash flow boost amount will be refunded to you, rather than offset against any other tax debts you have. However, excess amounts may still be applied against any outstanding debts with other Australian Government agencies.

You may also receive a refund if you overpay your activity statement because your system was unable to take the cash flow boost into consideration when working out how much was payable.

If you are due to receive a refund, we will generally pay it within 14 days.

It is important to make sure your financial institution details are up to date for your activity statement account. You can check and update them using our online services or contact your tax or BAS agent.

Cash flow boost credits will be visible on your statement of account. They will appear as 'cash flow boost 1' for amounts relating to March to June 2020, or in the case of the additional cash flow boost from June to September 2020, as 'cash flow boost 2'.

You can estimate how much cash flow boost you may receive by using the [Cash flow boost estimator \(XLSX5.3MB\)](#) .

### Example 1 – refund of cash flow boost

When Sarah lodges her activity statement for the month of March 2020 she owes:

- PAYG withholding of \$15,008
- GST of \$9,704.

She also owes \$4,500 from her February 2020 activity statement.

Sarah's initial cash flow boost for the March activity statement is \$45,024. This is used to pay the March activity statement liabilities of \$24,712

(\$15,008 + \$9,704). She will be left with a remaining cash flow boost of \$20,312.


To support Sarah's business during this period, the cash flow boost of \$20,312 will not be used to pay her outstanding liability of \$4,500 from the February activity statement. Instead it will be paid to Sarah as a refund.

#### Example 2 – overpaying activity statement

Sanjay's software calculates the liability for the quarterly March 2020 activity statement as \$12,500. It does not account for any initial cash flow boost he may be entitled to. He pays the liability immediately.

Sanjay is entitled to an initial cash flow boost of \$10,000. This means the March 2020 quarterly activity statement will be in credit by \$10,000. Generally, the overpayment of \$10,000 is refunded to Sanjay.

See also:

- [Cash flow boost estimator \(XLSX 5.3MB\)](#) 
- [Online services for businesses](#)
- [Online services for individuals and sole traders](#)

## Tax consequences

You do not need to pay tax on the amount of the cash flow boost and the cash flow boost is not subject to GST because there is no supply for the payment.

The amounts do not need to be paid back when your cash flow improves. However, if you have been paid more cash flow boosts than you are entitled to you will need to repay the excess.

### Passing on the cash flow boost to others

If you distribute an amount representing the cash flow boost through your company or trust, the tax consequences of the recipients will depend on your type of entity making the distribution.

For example, if your unit trust distributes all or part of the cash flow boost amount to a unit holder, there will be no tax consequences for the unit holder in receiving that amount. If your company distributes all or part of the cash flow boost amount to a shareholder, the amount will be treated as a dividend, and it will need to be included in the recipient's assessable income for that income year. We would expect that such distributions will be rare, however, since the cash flow boost is intended to be

used to support the business needs of the company or trust.

Find out about:

- [Paying dividends and other distributions](#)
- [Company non-assessable payments \(CGT event G1\)](#)
- [Trust non-assessable payments \(CGT event E4\)](#)

## Claiming the research and development tax incentive

If you claim the research and development (R&D) tax offset, your claim is not affected by any cash flow boost you receive.

See also:

- [Clawback adjustments](#)
- [Clawback adjustment guide](#)

## Schemes

You will not be eligible for cash flow boosts if you (or a representative) 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.

Schemes could include:

- artificially restructuring or arranging your business to meet the eligibility criteria
- increasing wages paid in a particular month to maximise the cash flow boost amount.

Any sudden changes to the characterisation of payments you make may prompt us to investigate whether the payments are in fact wages. This could trigger an ongoing liability to pay:

- FBT
- PAYG withholding
- super guarantee contributions
- other employee-related costs.

If the payments are wages, we may consider the characterisation of past payments, including whether:

- they should have been subject to PAYG withholding
- super guarantee contributions should have been made
- you have FBT obligations that have not yet been met.

The arrangements that concern us include:

- artificially restructuring businesses to gain access to the cash flow boost
- artificially changing the character of payments to salary and wage to maximise

the cash flow boost

- inflating reported withholding amounts to maximise the cash flow boost
- resurrecting dormant entities or phoenixing
- making false statements or fraudulent attempts to create an entitlement.

If we find you have entered into or carried out a scheme with the aim of becoming entitled to the cash flow boost, or increasing the amounts of the cash flow boost, you will be required to repay the entire amount back to the Commissioner.

Significant penalties and interest charges can apply to overpayments of the cash flow boost arising from schemes. Sanctions under criminal law may also apply to fraudulent claims.

See also:

- [Cash flow boosts for employers – schemes to artificially create or inflate entitlements](#)
- [Cash flow boost for employers – fraudulent arrangements](#)

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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