



## Monthly Information Newsletter – Tax & Super

October 2020

### SMEs: ATO confirms JobKeeper payments do not contribute to aggregated turnover

From the outset, it has been emphasised that JobKeeper payments are assessable income. However, some concerns had been raised as to JobKeeper payment status in regard to being statutory income or ordinary income. And if the latter, whether it is ordinary income derived in the ordinary course of carrying on a business.

If so, JobKeeper payments would be included in aggregated turnover, which determines whether an entity qualifies for a range of concessions and other certain measures, which can include accessing the small business income tax concessions, small business CGT concessions, the instant asset write-off, the refundable R&D tax offset, and the base rate entity tax rate.

But now the ATO has confirmed that although JobKeeper payments are ordinary income, they are not derived in the ordinary course of business, and therefore not included in aggregated turnover.

#### **DISCLAIMER**

All information provided in this article is of a general nature only and is not personal financial or investment advice. Also, changes in legislation may occur frequently. We recommend that our formal advice be obtained before acting on the basis of this information.

***Our liability may be limited by a scheme approved under Professional Standards Legislation.***