

# MOORE AUSTRALIA WELCOMES RED-TAPE REDUCTIONS IN 2021-2022 BUDGET

Moore Australia, today published its summary and evaluation report of the federal budget, handed down on 11 May 2021.

The report discusses the key points of the new federal budget, and what it means for consumers and businesses in Australia. SMEs and consumers are clear winners in this new budget, which focusses heavily on simplifying deductions and supporting industries hit hardest by COVID.

Davide Costanzo, Chairman of the Moore Australia Tax Committee commented: "It is great to see the simplification and extension of a number of measures. We look forward to these being implemented in due course. Many businesses and people don't make the most of the grants and deductions available to them. We feel this budget is geared to supporting those people, taking a step forward to simplifying tax time."

## CONSUMERS:

Consumers come out strong with this budget, due to a myriad of changes to Super and Personal Taxation. These are all documented in our report.

Moore Australia is pleased to see a modernisation of tax residency rules, which often causes confusion for investors, citizens and residents who are "globally mobile". Although it was not mentioned when the changes will come into effect, it will greatly simplify the previously detailed analysis required to determine whether an individual is resident for tax purposes.

## BUSINESSES:

(A full list of changes and opinions is available in our report)

The budget lists a number of changes to businesses, a key change being amendments to the way in which tax payers assess the effective life of certain intangible assets and the extension of the temporary full expensing provisions. Although Moore Australia welcomes these changes, we feel they could have gone further. Davide Costanzo comments: "Currently, most taxpayers are afforded a choice to opt-in and opt-out of the full expensing provisions on an asset by asset basis. However, many small business taxpayers who use the simplified depreciation rules (i.e. small business pool) do not have access to the choice and may be disadvantaged by these provisions. It seems the Government has not "fixed" this issue for affected small business taxpayers who will be required to claim a full deduction on their eligible assets including the full value of their small business pool balance at the end of each year whilst these provisions are in place."

The budget further offers reprieve for certain SMEs and entrepreneurs. Davide Costanzo commented: "The ATO has significant powers in relation to debt collection, including issuing garnishee notices to taxpayers, which can have a crippling impact on businesses. These changes are a positive step to address the imbalance and give businesses momentary respite whilst dealing with the ATO dispute as the AAT will be able to pause the debt recovery actions until the dispute has been resolved by the AAT. By dealing with these matters within the AAT, small businesses will have a more economical option to dispute ATO debts."

Following the insecurities of the past year, the budget offers support to individuals and businesses who will need it the most, driving consumer and investor confidence, whilst supporting economic growth.

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## Notes to Editors:

Moore Australia has expert spokes people available, across the country to support members of the media with any questions regarding the budget. Please direct your questions to our media contact below.

## Contacts

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