



## Taxation treatment of COVID-19 grants and NANE grants

With many parts of Australia still affected by COVID-19 and in various stages of lockdown, the Federal Government along with the States and Territories, are offering various [COVID-19 concessions and support for Australian businesses](#).

This document takes a look at the [tax implications](#) of some of these grants including what income is assessable and [non-assessable](#), any GST implications and how they should be addressed in your individual or business tax return.

Note that Non-assessable non-exempt (NANE) income is not taxable income. It does not need to be included in your income tax return and does not affect your tax losses. Expenses incurred applying for grants that are NANE income, such as accounting fees, will also be non-deductible.

Australian Government payments and assistance			
Name of grant	Tax treatment	How to fill in tax return	GST implications
<a href="#">COVID-19 Disaster payments (individuals)</a>	NANE income	Don't include in tax return	No GST because no supply
<a href="#">JobKeeper (Businesses &amp; individuals)</a>	Assessable income	Business = ordinary income Employee = salary & wages Sole Trader = business income	No GST because no supply
<a href="#">Pandemic leave disaster payment (individuals)</a>	Assessable income	Australian Government Special Payments	No GST because no supply
<a href="#">Childcare transition payment (for businesses to provide a guarantee of employment for workers) if don't claim JobKeeper</a>	Assessable income	Business = ordinary income	GST-free supply because payment directly related to provision of GST-free childcare
<a href="#">Creative economy support package</a>	Assessable income	Business = ordinary income	No GST because no supply
<a href="#">Consumer travel support program (travel businesses)</a>	Assessable income	Business = ordinary income	No GST because no supply



## NSW grants and government assistance

Name of grant	Tax treatment	How to fill in tax return	GST implications
<a href="#">JobSaver payment</a>	NANE income	Don't include in tax return	No GST because no supply
<a href="#">Micro-business grant</a>	NANE income	Don't include in tax return	No GST because no supply
<a href="#">NSW Performing Arts support package</a>	NANE income	Don't include in tax return	No GST because no supply

## Vic grants and government assistance

Name of grant	Tax treatment	How to fill in tax return	GST implications
<a href="#">Alpine Resorts Support Program</a>	NANE income	Don't include in tax return	No GST because no supply
<a href="#">Business Continuity Fund</a>	NANE income	Don't include in tax return	No GST because no supply
<a href="#">Business Costs Assistance Program Round 2</a>	NANE income	Don't include in tax return	No GST because no supply
<a href="#">Licensed Hospitality Venue Fund</a>	NANE income	Don't include in tax return	No GST because no supply
<a href="#">Small business hardship fund</a>	NANE income	Don't include in tax return	No GST because no supply

## State, territory & local government assistance

Type of relief	What does it entail?	Tax treatment	GST implications
<a href="#">Payroll tax relief</a>	Increased thresholds, waivers, and interest-free deferrals of payroll tax	Smaller deduction if no payroll tax payable	None
<a href="#">Small business support payments</a>	State & Territory or Commonwealth grants	Generally assessable NANE income if specified as such	None
<a href="#">State Government voucher subsidy scheme</a>	Vouchers to eat at restaurants, attend entertainment or accommodation	Government payment = Assessable	GST registered business must report GST on payment received for voucher



## State, territory & local government assistance

Type of relief	What does it entail?	Tax treatment	GST implications
<b>Electricity rebates</b>	Automatic rebates	Not included in assessable income Reduced deductions claimed for electricity	None
<b>Land tax relief</b>	Credits, deferrals, rebates, reductions, refunds or waivers of land tax if landlords provided rent relief to business tenants	Smaller deduction if received land tax reduction	None
<b>Rent relief</b>	Waivers or rent reductions for commercial tenants in government-owned properties	Smaller deduction if received rent reduction	GST registered business entitlement to GST credits is reduced in proportion to the rent reduction

## COVID-19 Resource Centre

To help your business navigate and adapt to the challenges and changing business dynamics brought about by COVID-19, Findex has prepared a suite of resources to help businesses impacted by lockdown restrictions.

[Visit the COVID-19 Resource Centre](#)

[findex.com.au](https://findex.com.au)

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