



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
COVID-19 Disaster payments (individuals)	NANE income	Don't include in tax return	No GST because no supply
JobKeeper (Businesses & individuals)	Assessable income	Business = ordinary income Employee = salary & wages Sole Trader = business income	No GST because no supply
Pandemic leave disaster payment (individuals)	Assessable income	Australian Government Special Payments	No GST because no supply
Childcare transition payment (for businesses to provide a guarantee of employment for workers) if don't claim JobKeeper	Assessable income	Business = ordinary income	GST-free supply because payment directly related to provision of GST-free childcare
Creative economy support package	Assessable income	Business = ordinary income	No GST because no supply
Consumer travel support program (travel businesses)	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
JobSaver payment	NANE income	Don't include in tax return	No GST because no supply
Micro-business grant	NANE income	Don't include in tax return	No GST because no supply
NSW Performing Arts support package	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
Alpine Resorts Support Program	NANE income	Don't include in tax return	No GST because no supply
Business Continuity Fund	NANE income	Don't include in tax return	No GST because no supply
Business Costs Assistance Program Round 2	NANE income	Don't include in tax return	No GST because no supply
Licensed Hospitality Venue Fund	NANE income	Don't include in tax return	No GST because no supply
Small business hardship fund	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
Payroll tax relief	Increased thresholds, waivers, and interest-free deferrals of payroll tax	Smaller deduction if no payroll tax payable	None
Small business support payments	State & Territory or Commonwealth grants	Generally assessable NANE income if specified as such	None
State Government voucher subsidy scheme	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
Electricity rebates	Automatic rebates	Not included in assessable income Reduced deductions claimed for electricity	None
Land tax relief	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
Rent relief	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](#)

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