

## Australia issues 2019/20 Federal Budget

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On 2 April 2019, the Australian Treasurer delivered the 2019/20 Federal Budget, the first surplus budget in more than a decade.

The main beneficiaries include individuals - who will receive personal income tax cuts and tax offsets - and businesses with an aggregated turnover of less than \$50 million (currency references are to the AU\$) - who will receive an increased instant asset write off threshold of \$30,000 until 30 June 2020.

With respect to multinationals, the Government has allocated a further \$1 billion of funding over four years to the Australian Taxation Office (ATO) to expand the Tax Avoidance Taskforce and will introduce minor amendments to Australia's hybrid mismatch rules.

Also, the list of Information Exchange Countries will be expanded on 1 July 2020 to add Curacao, Lebanon, Nauru, Pakistan, Panama, Peru, Qatar and the United Arab Emirates. As a result, distributions from Managed Investment Trusts (MITs) to these countries that are currently subject to the 30% withholding tax rate may qualify for the lower 15% withholding tax.

A detailed Budget Tax Alert will be forthcoming.

For additional information with respect to this Alert, please contact the following:

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