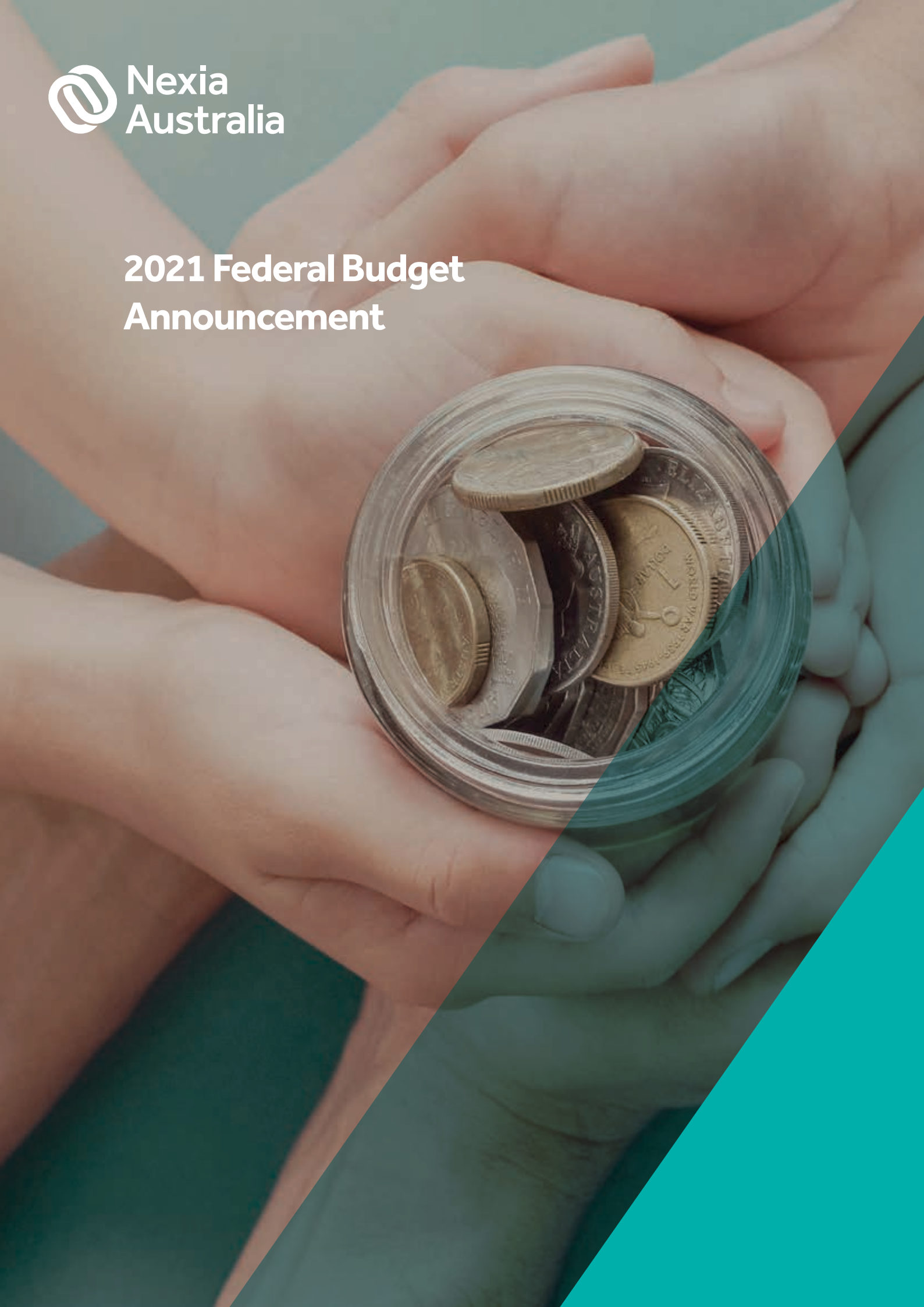
Nexia Australia

2021 Federal Budget Announcement



As we now allow ourselves the indulgence of thinking about a post-pandemic world, the goal of the 2021 Federal Budget is to support our economic recovery.

Following last year's delayed Budget, a number of support measures, like JobKeeper and the Cashflow Boost, have now concluded. Other support programs continue, and some have been extended, but will eventually wind down.

The forecast deficit for the 2021-22 year of $106 billion is an improvement on the forward estimate last year, and the current year's deficit is expected to come in at $161 billion, significantly lower than the $213 billion forecast in last year's Budget. Whilst these are still eye-watering numbers, they are at least moving in the right direction.

Measures to repair the Budget will still be some time away. Comprehensive structural reform, such as in taxation, industrial relations and other policy fields, would immensely help economic recovery and in turn Budget repair. Such reform would also go a long way to support the investment committed to improving mental health and aged care. We will see in time whether reform makes it onto the agenda.

We set out a summary of the key measures announced, and what they mean for you.

Personal tax

$1,080 Low-and-Middle-Income Tax Offset extended for an additional year to 30 June 2022.

Australia's digital future

$1.2 billion to grow our future as a modern and leading digital economy.

Superannuation contributions

Abolition of the work test requirement for individuals aged 67 to 74.

Downsizer contributions

Eligibility age reduced from 65 to 60.

Child care

Increased subsidy to improve workforce participation.

Medical & biotech patent income

Special 17% tax rate for eligible companies.

Small brewers & distillers

Increased excise refund, with many no longer paying any excise.

Superannuation Guarantee obligation

$450 per month income threshold to be removed.

Depreciation write-off

Temporary full deduction for the entire cost of depreciating assets extended to 30 June 2023.

Loss carry-back

Cash refund for carrying losses back to prior years' tax liabilities extended to 30 June 2023.

Junior miners

Additional $100 million for the Junior Minerals Exploration incentive.

Employee Share Schemes

Employees will no longer be taxed when ceasing employment

"Australia is coming back"

Josh Frydenberg, MP
Treasurer
Budget speech, 11 May 2021

Individuals

1 Low and Middle Income Tax Offset

Background

The Low and Middle Income Tax Offset (LMITO) provides a reduction in tax for Australian resident individuals and certain trustees up to a maximum of $1,080. This is available for individuals whose taxable income is less than $126,000.

Announcement

LMITO was to cease from 1 July 2021. However, the Government is supporting households by extending the LMITO for a further year, to 30 June 2022.

Taxable Income	LMITO
$0 - $37,000	$255
$37,001 - $48,000	$255 plus 7.5% of income over $37,000. The maximum offset being $1,080.
$48,001 - $90,000	$1,080
$90,001 - $126,000	$1,080 less 3% of income over $90,000.
$126,001+	nil

What this means for you

Individuals will now be eligible for a reduction in tax up to a maximum of $1,080 for an extra year. This will be available upon lodgement of the individual's income tax return for the year ended 30 June 2022.

2 Expanded deduction for self-education expenses

Background

Individuals can claim a deduction for self-education expenses where there is a sufficient connection to their current employment and work activities. Additionally, the educational course or activity must maintain or improve the specific skills/knowledge required in their current work activities; or result in an increase in income from their current work activities.

However, a deduction is generally not allowed for the first $250 of expenses.

Announcement

The Government will remove this deduction exclusion for that first $250 of self-education expenses. This will apply from an anticipated date of 1 July 2022 (being the first income year after the date of Royal Assent).

What this means for you

You will be entitled to can claim 100% of allowable expenses incurred for self-education.

3 Modernising the tax residency rules for individuals

Background

A fundamental factor in determining your liability for Australian tax on your income is whether you are tax resident here. This requires considering a number of statutory tests and an extensive body of case law precedents. Accordingly, determining a person's tax residency can be a complex task in practice. This has been exacerbated in modern times with far greater labour mobility.

Announcement

The Government will replace the existing individual tax residency rules with a new, modernised framework. The primary test will be a simple 'bright line' test, whereby a person will be an Australian tax resident if they are physically present in Australia for 183 days or more in any income year.

Secondary tests will then apply to individuals who do not meet the primary test, which will depend on a combination of physical presence and measurable, objective criteria.

The measure will have effect from the first income year after the date of Royal Assent of the relevant legislation.

What this means for you

The proposed new 'bright line' test approach will make it easier for the majority of individuals to determine their Australian tax residency status. This will give greater certainty for people who are not solely based in Australia in determining their exposure to Australian income tax.

4 Increasing Medicare Levy low-income thresholds

Background

Medicare levy is imposed at 2% of an individual's taxable income, which is in addition to the income tax they pay on their taxable income. However, the Medicare levy is reduced where the taxable income is below certain thresholds.

Announcement

Low-income taxpayers will continue to be exempt from paying the Medicare levy. Further, from 1 July 2020, the Medicare levy low-income thresholds have been increased as follows:

	Medicare Levy Low Income Threshold	
Low Income Taxpayer	**2019/20**	**2020/2021**
Singles	$22,801	$23,226
Families*	$38,474	$39,167
Single Seniors and Pensioners	$36,056	$36,705
Families for Seniors and Pensioners	$50,191	$51,094

* The family income threshold is increased by a further $3,597 for each dependent child or student. This amount has been increased by an extra $64 compared to the $3,533 as previously announced.

What this means for you

More low-income taxpayers will not be required to pay the Medicare levy. Eligibility for the thresholds applies upon lodgement of the individual's income tax return for the year ending 30 June 2021.

5 First Home Super Saver Scheme (FHSSS)

Background

The FHSSS was originally introduced in the 2017 Budget. The scheme allows first-home buyers to withdraw from their superannuation funds **voluntary** contributions made after 1 July 2017 (mandatory employer contributions are excluded) to assist them in purchasing a residential property, where the property is to be occupied as the individual's home.

The withdrawal was originally capped at $30,000 overall, with a maximum of $15,000 available to be drawn from voluntary contributions made in a specific year.

Superannuation fund earnings are taxed at a flat concessional rate 15% inside the fund (while in 'accumulation phase'), allowing investment returns to compound more quickly than an equivalent investment made outside the superannuation fund.

Announcement

The amount that can be withdrawn from voluntary contributions made in a specific year remains at $15,000. However, the overall withdrawal cap has been raised to $50,000.

What this means for you

The Government expects the new cap to apply from 1 July 2022. The change will allow first-home buyers to fund more of their home purchase price using funds withdrawn from their superannuation funds.

First homebuyers should continue to give careful consideration to the advantages of investing in a home versus the advantages of investing for retirement in a superannuation fund.

6 More affordable child care to boost workforce participation

Background

The Federal Government subsidises the cost of child care to help make it economically worthwhile for a family's primary carer, which is most often the mother, to participate in the workforce. However, a tipping point arises for many, especially around working a third or fourth day per week, where the additional child care costs either outweigh the additional income, or are too close to be worthwhile.

Announcement

From 1 July 2022, the subsidy level will increase for families with two or more children aged five and under in child care. In addition, the $10,560 subsidy cap will be removed.

What this means for you

The changes are intended to shift that tipping point, making it worthwhile for more families to choose that additional workforce participation. The reduced disincentive will provide more opportunities and flexibility between employers and their employees with young children in child care.

Businesses

1 Temporary full expensing of eligible depreciable assets extended

Background

In last year's Budget, the government expanded its instant asset write-off incentive for depreciating assets.

The expansion of this incentive meant that business with group-wide turnover of less than $5 billion could deduct the full cost of eligible assets acquired from 7.30pm AEDT on 6 October 2020 until 30 June 2022.

Announcement

The Government will extend this measure to enable eligible businesses with additional time to deduct the full cost of eligible depreciable assets of any value. It will now apply for an additional year, until 30 June 2023. All other elements of temporary full expensing will remain unchanged.

What this means for you

The extension of temporary full expensing continues to encourage businesses to make investment decisions, particularly where COVID-19 and other factors have delayed the relevant expenditure or the installation of an asset ready for its use.

We note, however, that the best reason to invest in any new asset is the opinion that your business will earn a sufficient commercial return. The full tax deduction is just a timing difference and should be viewed as a bonus to the commercial return.

2 Tax relief for small brewers and distillers

Background

Presently, eligible brewers and distillers can claim an annual 60% refund of their excise tax liability, up to a cap of $100,000. For business groups with multiple brewery/distillery businesses, only one business in the group can claim the refund, so it is proportionately more beneficial for smaller and independent brewers/distillers.

Announcement

From 1 July 2021, the annual refund for eligible brewers and distillers will increase to 100% of their excise liability, with the cap increasing from the $100,000 to $350,000. This will align with the wine equalisation tax producer rebate.

What this means for you

The changes will provide additional annual excise relief of up to $250,000. An increased number of smaller and independent operators will no longer incur any excise tax at all. This will assist Australia's craft brewing and distilling industries in particular, and reduce inconsistencies in support arrangements for alcohol producers.

This will be welcomed by the brewing and distilling industries, which have been impacted by restrictions and lockdowns due to COVID-19, and will assist them to invest and grow, and support employment.

3 Temporary tax loss carry-back extended

Background

Last year's Budget saw the introduction of the temporary loss carry-back measures, allowing companies incurring tax losses to carry them back as far back as the 2018-19 year, generating a refundable tax offset.

Prior to this, tax losses could only be carried forward and deducted against assessable income earned in future years.

Announcement

In line with the extension of the temporary full expensing measures, the government will also extend the loss carry-back measures by one year. This will allow eligible companies to carry back tax losses from the 2022-23 year to offset against previously taxed profits from the 2018-19 year or later (previously this measure was applicable to the 2019-20, 2020-21 and 2021-22 years).

Eligibility remains for companies with a group-wide turnover below $5 billion, and again is limited to the tax liabilities in those prior years and the current balance of a company's franking account.

If companies do not elect to carry back tax losses, the losses can still be carried forward as normal.

What this means for you

The extension of this measure is again complimentary to the extension of the full expensing of eligible depreciating assets whilst continuing to support companies that were previously profitable but now find themselves in a tax loss position.

The government is continuing to encourage investment by enabling businesses with projects that require longer planning times to take advantage of its business tax incentives.

The following example illustrates the benefits of the extension to these tax incentives.

Example

Smith Builders Pty Ltd has group-wide turnover of $60 million for both the 2021-22 and 2022-23 years. On 1 December 2021, the company decides to expand its truck fleet and orders another delivery truck for $500,000 (excluding GST), however, the manufacturer cannot supply the truck until July 2022. Smith Builders was relying on being able to fully expense the new truck and claim a refundable tax offset against its taxable profit from the 2018-19 year, through the tax loss carry back provisions, to help fund the expansion of its fleet. With the extension of these business tax incentives, this is now possible.

4 Further Insolvency Reforms

Background

In response to COVID 19, the Government introduced temporary measures, such as increasing the threshold for statutory demands to $20,000 for the period between 25 March and 31 December 2020. Other permanent reforms, effective from 1 January 2021, were the new debtor-in-possession option for small businesses and a streamlined small business insolvency process.

The Government will further change the insolvency rules to allow more distressed businesses the opportunity to turnaround, restructure, and survive.

Announcement

The Government will:

- Increase the statutory demand threshold for companies to $4,000 from the current level of $2,000. Non-compliance with a statutory demand by a company is an easy way for a creditor to prove to a Court that a company is insolvent. The $2,000 limit was introduced in 1992 and the increase takes into account inflation since then.
- Consult on how the insolvency laws apply to trading trusts – a common small business operating structure – to ensure that the laws apply appropriately and consistently.
- Conduct an independent review on whether the safe-harbour provisions introduced in 2017 remain relevant and effective.
- Consult on how to improve schemes of arrangements, including by introducing a moratorium on creditor enforcement whilst schemes are being negotiated, to better support business.

What this means for you

The increase in the statutory demand threshold will mean that creditors have a higher threshold before taking action against companies owing them debts. This means that trading terms may need to be reviewed and less generous terms offered to corporate customers likely to take advantage of the higher threshold before a statutory demand can be issued.

5 SME Recovery Loan Scheme

Background

The Government will support the economic recovery of, and provide continued assistance to, firms that received JobKeeper or are eligible flood affected businesses through the SME Recovery Loan Scheme. This builds on the July 2020 COVID-19 Response Package.

Announcement

The Government will provide participating lenders with a guarantee for 80 per cent of secured or unsecured loans of up to $5 million for a term of up to 10 years and with interest rates capped at 7.5 per cent.

What this means for you

To be eligible, SMEs, including self-employed individuals and non-profit organisations, will have a turnover of up to $250 million and have been either:

- Recipients of the JobKeeper Payment between 4 January 2021 and 28 March 2021; or
- Located or operating in a local government area that has been disaster declared as a result of the March 2021 New South Wales floods and were negatively economically impacted.

This measure partially de-risks the loans for lenders, making it commercially viable to advance loans to eligible businesses that otherwise could not access the finance. Borrowers will be remain fully liable for the loans under the scheme.

6 ATO Assistance to Businesses Investing in Australia

Background

In an attempt to encourage businesses to invest in Australia, the ATO will introduce an early engagement service to advise investors on how they might meet their Australian tax obligations.

Announcement

The new ATO service will aim to accommodate investor timeframes and supply binding advice when required. The process will integrate the tax aspects of the FIRB approval process. This service is expected to commence from 1 July 2021.

What this means for you

We presume that this service will be available to accountants making representations on behalf of overseas clients wishing to make business investments into Australia. This new ATO scheme will be enhanced by accountants working with the ATO to ensure commercial and tax effective outcomes for entrepreneurs wishing to commence business in Australia.

For helpful information on Australia's business and regulatory environment, see Nexia Australia's handbook on Doing Business in Australia.

7 Employee Share Schemes — removing a taxing point

Background

An important part of many employees' remuneration packages is their participation in an employee share scheme. This gives them exposure to their employers' share value and an ability to share in the company's profits.

Currently, an employee will be taxed on the market value of their interest in an employee share scheme at the earliest of: cessation of employment, where there is no risk of the employee forfeiting shares and there are no restrictions on disposal of those shares, or expiry of the maximum period of deferral of 15 years.

Slightly different rules apply where the employee is entitled to options under the employee share scheme.

Employers that wish to offer interests in an employee share scheme to their employees are also subject to disclosure requirements and licensing, anti-hawking and advertising prohibitions.

Announcement

The Government will amend the law so that employees are not taxed on their interest in an employee share scheme as a result of ceasing to be employed by their employer. This amendment will apply to employee share scheme interests issued from the first income year after the date of Royal Assent of the enabling legislation.

The Government will also amend the law to remove disclosure requirements and provide for exemptions to the licensing, anti-hawking and advertising prohibitions in respect of the offer of employee share schemes where the employer does **not** charge or lend to the relevant employees. Where an employer charges or lends to employees in respect of an unlisted company employee share scheme, the value of shares that can be issued to an employee without being subject to the regulatory requirements will be increased from $5,000 to $30,000 per year. These amendments will apply three months after Royal Assent of the enabling legislation.

What this means for you

These changes will simplify employer obligations and provide better tax outcomes for employees. The cessation of employment will no longer be a taxing point for interests that are still at risk of forfeiture. Further, these changes may reduce barriers to changing jobs.

8 Junior Minerals Exploration Incentive extended

Background

The Junior Minerals Exploration Incentive (JMEI) converts tax losses incurred by mineral exploration companies into a tax credit that is passed directly to shareholders. This provides an incentive for investors to support junior explorers.

Announcement

The Federal Government will contribute a further $100 million to the JMEI program, extending it for a further four years.

What this means for you

Greenfields exploration is necessary for identifying high-quality mineral deposits. However, junior explorers incur significant losses during the exploration phase, which are usually trapped inside the company. By allowing shareholders the tax benefit of those losses in the form of a tax credit, this provides additional incentive for investor support of junior explorers.

The extension of this program will further support exploration of the 80% of Australia that is underexplored.

9 Storms and Floods – Grants

Background

Due to major storm and flood events in New South Wales between 19 February and 31 March 2021, many primary producers, small businesses and not-for-profit organisations suffered losses.

Announcement

Small businesses and not-for-profit organisations can apply for grants to aid their recovery, of up to $50,000. Primary producers can apply for grants of up to $75,000.

These grants are available only to those in prescribed local government areas.

What this means for you

Recipients of these grants will not be liable for income tax on the amounts received under the scheme.

The scheme is administered by the New South Wales State Government.

10 Collective Investment Vehicle Regimes – now to start 1 July 2022

Background

Back in 2016, the Government proposed a new tax framework for two types of collective investment vehicles (CIVs). The two CIVs were a corporate CIV, and a limited partnership CIV. CIVs allow investors to pool their funds which are then managed by professional funds managers. CIVs are intended to engage in mainly in passive investment activities, have similar eligibility requirements to Managed Investment Trusts, and provide flow-through tax treatments.

Announcement

The Government will finalise the corporate CIV rules, so that the regime will commence from 1 July 2022. There was no reference in the Budget to the limited partnership CIV regime.

What this means for you

The announcement will be welcome news to Australian fund managers who have difficulty in explaining why Australia has offered a trust CIV, but not a corporate CIV.

Industry

1 Patent Box — concessional tax rate for Australian medical and biotechnology innovations

Background

Currently, income generated from patents is taxed in Australia in the same way as any other income. The corporate tax rate is 30% for large companies and 25% for small-to-medium enterprises from 1 July 2021. This places Australia at a disadvantage compared to the many countries that have a concessional tax regime for patents.

Announcement

The Government will introduce a "patent box" regime for companies in respect of Australian medical and biotech patents based on the OECD guidelines on patent boxes. Income from patents eligible to be included in a patent box may include both patent licensing fees and sales of products that contain know-how covered by patents.

Companies that derive income from patents will need to determine the amount of income that relates to each patent, excluding any income due to manufacturing, branding and other attributes. The income that relates to the patent must then be reduced by the percentage of the research and development that produced the patent that did not take place in Australia. The resulting income can then be placed in a patent box. Income in a patent box is taxed at only 17%.

The Government will consult closely with industry on the design of the patent box and on whether the patent box regime should also apply to clean energy patents.

The patent box regime will apply from income years starting on or after 1 July 2022 in respect of patents which were applied for after 11 May 2021.

What this means for you

If you anticipate applying for Australian medical and biotech patents in the future, you should consider participating in the consultation process. Defining the amount of income that can be included in the patent box is likely to be a key issue. You may also wish to consider increasing the amount of R&D that you undertake in Australia to maximise the potential benefits of the patent box regime.

If you anticipate applying for Australian clean energy patents, or potentially patents in any other area of technology that is strategically important, you should consider approaching the Government to extend the patent box regime to these patents.

The 17% tax rate will apply at the company level of taxation. When the income is ultimately extracted to shareholders, they will generally pay the balance of tax between the 17% rate and their personal tax rate.

2 Investing in Australia's digital future

Background

Digital technology enables us to do things faster and sooner, and without bulky records storage. Invoicing, making payments, communicating, using data and a host of other business, government and personal interactions are done more effectively now than in the past.

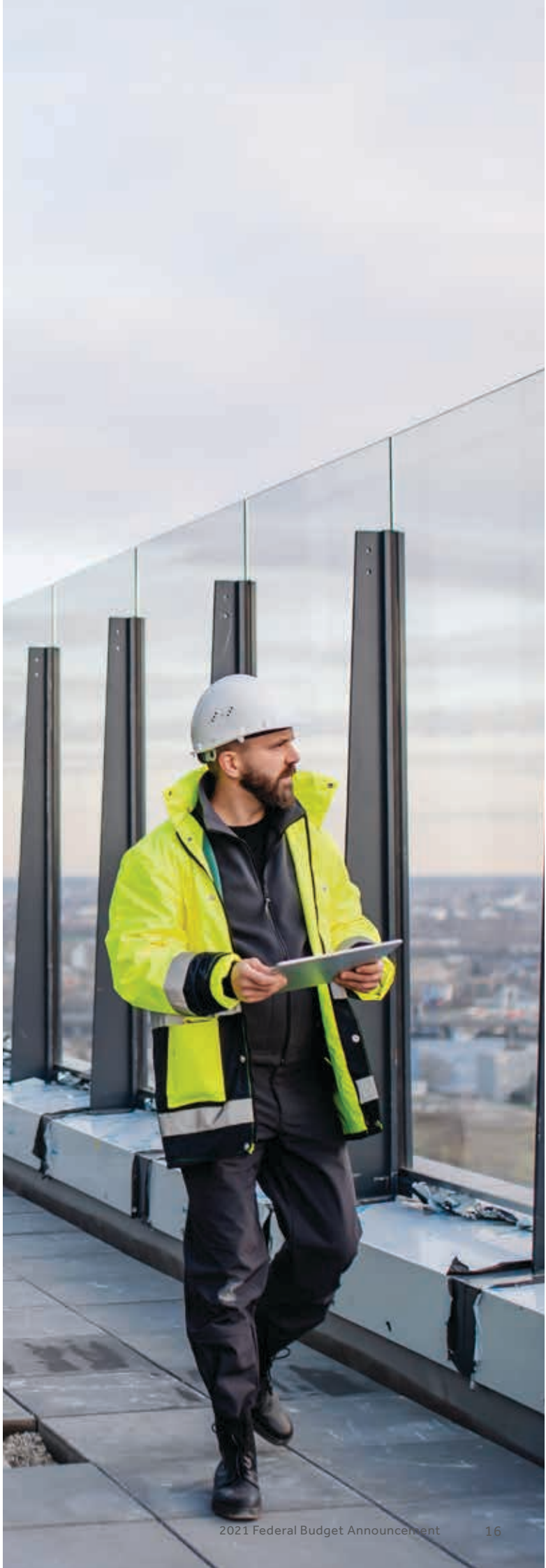
Announcement

The Federal Government will invest $1.2 billion in Australia's digital future through the Digital Economic Strategy, to grow our future as a modern and leading digital economy by 2030. This will include:

- A pilot program of cadetships and scholarships in building workforce digital skills.
- Building Australia artificial intelligence (AI) capabilities, including a CSIRO-led National AI Centre.
- Overhaul of myGov.
- 30% Digital Games Tax Offset, to support Australia taking a greater share of the $250 billion global game market.
- Expansion of the Digital Solutions – Australian Small Business Advisory Service, and drive business uptake of e-Invoicing.
- Support emerging aviation technologies, such as drones.
- Accelerating the rollout of the Consumer Data Right in banking, energy and telecommunications.
- Enhance cyber security in government, data centres and future telecommunications networks.

What this means for you

Encouraging businesses to take up emerging digital technologies, building the required skills in their employees to harness the value, and matching that with improved digital processes by government, will improve our competitiveness and lift productivity.



International

1 Extended consultation on corporate tax residency rules

Background

In last year's Budget, the Government announced that it would amend the law to clarify that a company incorporated overseas will be treated as an Australian tax resident if it has a "significant economic connection to Australia". This test will be satisfied where both the company's core commercial activities are undertaken in Australia and its central management and control is in Australia.

Announcement

The Government has now announced that it will consult on broadening this proposed amendment to **trusts and corporate limited partnerships** and will seek industry's views as part of the consultation on the original corporate residency amendment.

What this means for you

The proposed amendment to the corporate residency rules will effectively remove the risk of foreign incorporated companies with no business activity in Australia from being regarded as an Australian resident (and thus creating tax compliance obligations here) simply because directors and/or shareholders may be resident here.

2 Offshore Banking Units – 10% concessional tax rate scrapped

Background

Offshore Banking Units (OBUs) include banks, fund managers and life companies. Income derived by an OBU from offshore banking activities is taxed at 10%, and interest paid by OBUs can be exempt from withholding tax.

Announcement

The 10% tax rate will be abolished from 1 July 2023, and no new entrants to the regime will be admitted (effective 26 October 2018). The exemption from interest withholding tax will be removed from 1 January 2024.

What this means for you

The offshore banking activities of Australian banks and life companies will no longer benefit from the concessional tax treatment. The withdrawal of the concession follows criticisms from the OECD in October 2018.

Superannuation

1 Downsizer contributions – eligibility age reduced to 60

Background

An individual 65 and over who sells his or her main residence (owned for at least 10 years) can contribute some of the sale proceeds to superannuation. The amount of the contribution is capped at $300,000. Both spouses can make a contribution from the one sale (so $600,000 for a couple), even if the property was held in only one name.

Announcement

The minimum eligibility age to make downsizer contributions will be lowered from 65 to 60 from 1 July 2022. The requirement that the contribution be made within 90 days after settlement will continue.

What this means for you

Downsizer contributions do not count towards an individual's non-concessional contributions cap, and are exempt from the contribution rules. The lowering of the eligibility age to 60 will mean empty nesters can more readily downsize the family home after 60, rather than waiting till 65, for no reason other than to satisfy the super requirements.

2 Superannuation Contributions Work Test Repealed

Background

Currently, individuals aged between 67 and 74 years can only make voluntary concessional (deductible) and non-concessional (non-deductible) superannuation contributions if they work at least 40 hours in any 30-day period in a financial year in which the contributions are made. This is called the work test.

Announcement

From 1 July 2022, the work test requirement will be abolished for individuals aged 67 and 74 who wish to make non-concessional and salary sacrifice contributions. Contributions to a complying superannuation fund will still be subject to existing caps of $25,000 for concessional contributions and $100,000 for non-concessional contributions annually. The bring-forward rule will still apply.

What this means for you

Non-working individuals between the ages of 67 and 74 previously excluded from making contributions will now be able to do so. This is particularly relevant to this age group who commonly receive an inheritance and wish to invest in their superannuation fund for their retirement. Accordingly, the circumstances in which individuals under 75 may be able to make superannuation contributions are enlarged.

As individuals are living longer, and superannuation payments are favourably taxed, this is a positive development. The existing restriction on non-concessional contributions will continue to apply for people with superannuation balances above $1.6 million ($1.7 million from 1 July 2021).

3 Remove $450 per month income threshold for compulsory superannuation

Background

Ever since compulsory superannuation was introduced, where an employee earns less than $450 in a month from an employer, the employer has no requirement to pay the superannuation guarantee amount. The rate is currently 9.5%.

Announcement

The $450 income threshold will be removed, effective from 1 July following Royal Assent of the enabling legislation. It is expected the change will come into effect on 1 July 2022.

What this means for you

Employers will be required to contribute the superannuation guarantee amount for all employees, no matter how little the employee might earn from the employer in any particular month.

Compulsory superannuation was always intended to be an income sacrifice by employees, and not an additional remuneration cost for employers. Accordingly, this will impact any awards or negotiated remuneration arrangements for affected employees in which the threshold exemption is embedded. This would predominantly be relevant for younger and casual employees.

Employers will likely incur additional administrative costs. No announcements have been made about the legislated increase in the superannuation guarantee rate to 10% from 1 July 2021. Accordingly, we expect the increase will proceed as is currently legislated.

Not-for-profit sector

1 Not-For-Profits (NFPs) – income tax exemptions

Background

Currently, NFP organisations that are **not** charities can self-assess their eligibility for income tax exemptions. These organisations are not required to lodge income tax returns nor are they required to get confirmation of their exemption from the ATO. Charities, on the other hand, are required to be endorsed by the ATO to be exempt from income tax.

Announcement

NFP organisations with an active ABN that have self-assessed to be exempt from income tax will have an obligation to submit an online form to the ATO to report how they have assessed their eligibility for the exemption. This will need to be reviewed and lodged every year, commencing 1 July 2023.

What this means for you

This change will increase the annual reporting obligations of affected NFP organisations. However, it provides more comfort, certainty, and transparency to both the organisations and the ATO of their income tax exempt status.

Final Word

For the most part, we are in better shape than we thought we would be a year ago. The forecast deficits are lower, unemployment is down to 5.6%, and there is room for greatly expanded social and infrastructure spending. For the lesser part, there is still a long way to go.

Once again, we are missing that elusive ingredient for our post-pandemic recovery: Reform. Whether genuine reform makes it onto the agenda, time will tell. It always does.

Talk to your trusted Nexia advisor about what any of the Budget announcements mean for you or your business.

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