



Cash flow boost tax time essentials

If you've received a cash flow boost, you need to know how this impacts your tax return this year.

There are four essentials when lodging:

- You don't pay tax on the cash flow boost credits as they are non-assessable non-exempt income, but you may need to report the amounts in your tax return for other purposes. Refer to the relevant [tax return instructions \(/Business/Reports-and-returns/Income-tax-return/\)](#) for your business structure for guidance.
- You're still entitled to a deduction for the payments made to your workers provided you have complied with the pay as you go (PAYG) withholding and reporting obligations for that payment.
- If you pass the cash flow boost on to others, such as dividends or a trust distribution, there may be tax consequences for the recipient.
- If you claim the research and development (R&D) tax offset, your claim is not affected by any cash flow boost you receive.

If you're still not sure, get in touch with a registered tax agent or BAS agent or contact us.

See also:

- [Boosting cash flow for employers – tax consequences \(/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/?page=4#Tax_consequences\)](#).
- [Removing tax deductibility of non-compliant payments \(/general/gen/removing-tax-deductibility-of-non-compliant-payments/\)](#).

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).