# JobKeeper 2.0 Alternative Tests Released

The legislative instrument confirms that the updated versions of the alternative tests should be used in determining whether an entity passes the original decline in turnover test for JobKeeper fortnights starting on or after 28 September 2020 as well as determining whether an entity passes the new additional decline in turnover tests to access the JobKeeper extension from 28 September onwards. If an entity has already passed the original decline in turnover test for a JobKeeper fortnight before 28 September 2020 then there is no need to apply the original test again.

The updated alternative tests released by the Commissioner of Taxation are broadly similar to the alternative tests that were released in connection with the original decline in turnover test. However, there are some key differences.

**'Projected' GST turnover no longer applies**

The tests don't use the concept of projected GST turnover. The comparison only uses current GST turnover. This is consistent with the basic version of the additional decline in turnover test which involves comparing current GST turnover for the relevant test period with current GST turnover for the relevant comparison period.

One of the key differences between the concept of current GST turnover compared with projected GST turnover is that proceeds from the sale of capital assets are included in current GST turnover calculations (unless the sale of the asset is input taxed), while proceeds from the sale of capital assets are ignored when calculating projected GST turnover. This is likely to make it more difficult for entities to access the JobKeeper extension if they have sold plant and equipment, vehicles, property etc during the test period.

**Timing of supplies consistent with Commissioner's determination**

The legislative instrument confirms that the rules released by the Commissioner in connection with determining the timing of supplies for the JobKeeper decline in turnover tests apply to these new alternative tests as well. This should mean that if an entity is registered for GST it needs to calculate current GST turnover using the same accounting method that is used for GST reporting purposes (ie, cash or accruals). Entities that are not registered for GST can choose which method, but must use a consistent approach.

**Substantial increase in turnover test modified**

The "substantial increase in turnover" test has been modified to provide an additional level of flexibility in accessing this test. Under the original version of the rules you had to start by checking if there was an increase in turnover of at least 50%, 25% or 12.5% in the 12, 6 or 3 months before the test period. While this is still possible under the updated version of this test, an entity can also access the test if there was an increase in turnover of at least 50%, 25% or 12.5% in the 12, 6 or 3 months before 1 March 2020.

**Irregular turnover test modified**

A similar modification has been made to the "irregular turnover" test and the wording used for this test has been updated. Under the original version of the rules you started by looking at whether the entity’s lowest turnover quarter was no more than 50% of the highest turnover quarter for the quarters ending in the 12 months immediately before the applicable turnover test period. However, under the updated version you look at whether the entity’s current GST turnover for any consecutive 3-month period before the applicable test period or 1 March 2020 is no more than 50% of the highest of the entity’s current GST turnover for any other of those 3-month periods.

**Changes to sole trader or small partnership test**

When applying the test for sole traders or small partnerships where the sole trader or a partner could not work for at least part of the comparison period because of sickness, injury or leave, the updated version of the test requires you to look at the current GST turnover for the month immediately before the month in which the sole trader or partner did not work. The original version of the test looked at the turnover for the month immediately after the month in which they returned to work.