

Hope that you're well. Here is some of April 2019 update from NTAA, CPA, ATO Agent Newsletters and other resources for your information:

- **2020 Superannuation rates and thresholds released**

- The Concessional Contributions cap is \$25,000
- The Non-Concessional Contributions cap is \$100,000
- The CGT transferal cap amount is \$1,515,000
- Division 293 tax threshold is \$250,000
- The maximum super contribution base for SG purposes is \$55,270 per quarter.
- A General transfer balance cap is \$1,600,000

Also, 2020 is the first year certain taxpayers will be entitled to carry forward unused amounts of their concessional cap and make additional concessional contributions for any unused amount, may contribute up to an additional \$25,000 of concessional contributions.

- **Business Owners: Instant Asset write-off increased and extended**

Businesses with a turnover of up to \$10 million can also claim a deduction for each asset purchased and first used or installed ready for use, up to the following thresholds:

- \$30,000, from 7.30pm (AEDT) on 2 April 2019 until 30 June 2020
- \$25,000, from 29 January 2019 until before 7.30pm (AEDT) on 2 April 2019
- \$20,000, before 29 January 2019.

- **New “similar business test” now law**

- The legislation introduces a new and more flexible “similar business test” to supplement the existing “same business test” for company losses effective on or after 1 July 2015.
- Previously, a company that does not satisfy the “continuity of ownership test” will have to pass the same business test period which it didn't derived assessable income from:

- a) a business of a kind the company didn't carry on before the "test time", or
- b) a transaction of a kind that it had not entered into in the course of its business operations before the test time
  - The new "similar business test" operates comparably to the "same business test", but without the negative limbs of the above tests.
  - It is considered that it will encourage innovation and growth by allowing companies to derive assessable income from the new business activities and transactions that evolve from their business, without automatically losing access to losses.

- **Tax Knowledge of the month:**

How to claim a tax loss

- Individual: you can carry forward your tax loss infinitely. Salary & Wage earners with business loss, check "non-commercial loss" rule.
- Partnership: each partner has a proportionate share of loss in his/her personal tax return.
- Trust: trust loss will be carried forward within the trust, certain rules apply to different types of trust
- Company: company loss will be carried forward in the company, test rules to apply are continuity of ownership test (COT) which requires more than 50% stake were owned by the same person(s) or same business test (SBT) which requires the same business/transactions within the loss periods.

For more details, please see the ATO link below –

<https://www.ato.gov.au/General/Losses/How-to-claim-a-tax-loss/>

- **Recent tax case update**

- Mostly vacant property still an active asset – a property used to store materials, tools and other equipment was an active asset for the purpose of the small business CGT concessions. – Eichmann and FCT (2019) AATA 16
- Taxpayer living in serviced apartments not a resident – "place of adobe" is not a reference to a person's house or flat or other dwelling but rather the town or country in which a person is physically residing permanently. – Harding v Commissioner of Taxation (2019) FCAFC 29

With the 2018 tax return due date approaching, if you have any concern or inquiry, please contact us at:

MAS Tax Accountants South Yarra

**Phone:** (03) 9823 6233

**Mobile:** 0405 792 515

**Office Address:** Suite 1922/Level 19, 644 Chapel Street, South Yarra, Vic 3141

<http://www.mastaxsouthyarra.com.au>