

Hope that you're well. Here are some of March 2019 updates from NTAA, The Tax Institute, ATO Agent Newsletters and other resources for your information:

- **Small Business Concierge Service**

- Set up by The Australian Small Business (SB) and Family Enterprise (FE) Ombudsman (ASBFEO) on 11 March 2016.
- To assist and to advocate for SB and FE.
- From 1 March 2019 on, it will provide assistance to SB in dispute with the ATO where the matter has escalated to the Administrative Appeals Tribunal (AAT).
- It will provide access to subsidized legal advice for unrepresented SB.
- More information is available on the ASBFEO website.

- **Single Touch Payroll (STP) for small and micro employers**

- Legislation has passed that STP reporting will be extended to employers with less than 20 employees from 1 July 2019.
- The ATO intends to remind these SB that if their payroll software offers STP, they can opt-in within their software to STP and start reporting now.
- For Micro employers (less than four employees) who do not currently have payroll software, a range of simple, low-cost solutions are expected to be available from early 2019 on.
- ATO may effectively grant a three-month reprieve on SB employers from 1 July 2019 to 30 September 2019.

- **SMSF memberships increase**

- The government has introduced legislation into Parliament to effectively increase the maximum number of allowable members in SMSFs **from four to six** (i.e. less than seven members)

- **Non-compliant payments to workers**

- From 1 July 2019, a business taxpayer can only claim deductions for payments made to workers where they've met the Pay As You Go (PAYG) withholding obligation for that payment.
- The following deductions can be claimed with the relevant PAYG withholding rules: Salary, wages, commissions, bonuses or allowances to an employee, directors' fees, payments to a religious practitioner,

payments made under a labor hire arrangement, payments made for a supply of service where the contractor has not provided their ABN.

- **PS LA 2001/6 (updated)**

- Home Office running expense claims has increased from 45 cents to 52 cents per hour.

- **2019/20 Federal Budget Winners by Industries**

- Building & infrastructure: \$100 billion commitments to infrastructure spending, especially rail lines in regional Vic and NSW.
- Small Business: Continuation and expansion of SB instant asset tax write-off from \$25k to \$30k with a turnover of up to \$50 million.
- Retail or motor vehicle: with SB instant write off and low-income tax offset, which will benefit the whole economy.

- **Changes to personal income tax rates**

Rate	Current (2018-2022)	Proposed (2023-2024)
0%	0-\$18,200	0-\$18,200
19%	\$18,201-\$37,000	\$18,201-\$45,000
32.50%	\$37,001-\$90,000	\$45,000-\$120,000
37%	\$90,001-\$180,000	\$120,000-\$180,000
45%	\$180,001+	\$180,001+

- From 2025 income year on, the 32.5% marginal tax rate will be reduced to 30% and to increase the upper threshold of now 32.5% tax bracket from \$120,000 to \$200,000 and abolish the 37% tax bracket.

- **Changes to the superannuation contribution rules**

- Removing the work test for those aged 65 and 66 years, the exemption applies to: the member does not meet the work test in the contribution year but met the work test in the previous income year, with a total super balance below \$300,000 and has not previously relied on the work test exemption to make contributions.
- Access the “bring-forward rule” for those aged 65 and 66 years up to \$300k in three years.
- Increasing the age limit for spouse contributions to 74 years old to accept.

- **Recent tax case update**

- A Defence employee denied claim for relocation expenses: The decision addressed the taxpayer’s claims that his situation should be treated akin to an involuntary employment transfer and non-deductible. - McKenzie and Commissioner of Taxation (Taxation) 2019 AATA 77