

Happy New Year and hope that you're safe and sound! Here is some of Nov'19 – Jan'20 updates from NTAA, CPA, ATO Agent Newsletters and other resources for your information and reference:

- **New scheme to help first home buyers**
- The First Home Loan Deposit Scheme is designed to facilitate earlier access to home ownership for first home buyers, by providing a guarantee for some eligible first home buyers to purchase a home with a deposit as little as 5%
- Supporting 10,000 first home buyers each financial year
- Eligible applicants will subject to taxable income criteria: up to \$125,000 per annum for singles, and \$200,000 for couples.
- The Scheme will apply to owner-occupied loans on a principle and interest basis, and will be subject to regional price caps.

- **No CGT main residence exemption for non-residents**
- The proposed changes (if enacted) will potentially impact foreign residents (i.e. non-resident taxpayers for Australian tax purposes) at the time of the relevant CGT event (i.e. generally as the contract date)
- Transitional rules for properties held before 7:30pm (AEST) on 9 May 2017: the CGT main residence exemption will only be claimed where otherwise applicable, for disposals that occur up until 30 June 2020, unless “life events” occur.
- Properties acquired at or after 7:30pm (AEST) 9 May 2017: no access to CGT main residence exemption unless specified “life events” like terminal illness or death of the tax payer, spouse or child under the age of 18 years or divorce settlement.

- **Support on the way:**
- **Bushfire:** <https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/Bushfires-2019-20/>
- If you live in one of the identified impacted postcodes, we'll automatically defer any lodgements or payments you have due. You, or your agent, don't need to apply for a deferral – it will be

automatically applied. Income tax, activity statement, SMSF, FBT and excise return lodgements, and their associated payments, will be deferred until **28 May 2020**.

- **You and your small Business:**

- <https://www.ato.gov.au/Newsroom/smallbusiness/General/Supporting-you-and-your-small-business/?sbnews20200129>

- **Holistic support for small business:** Australian Small Business and Family Enterprise Ombudsman

- <https://www.ato.gov.au/Newsroom/smallbusiness/General/Holistic-support-for-small-business/?sbnews20200129>

- **Helping your employee in emergency can be FBT exempted -**

- <https://www.ato.gov.au/Newsroom/smallbusiness/General/Helping-employees-in-emergencies/?sbnews20200129>

- **Recent tax cases update:**

- Jail time for GST and property development fraud: a Victorian woman carried out extensive work on the properties in Toorak, Portsea and Caulfield North during 2005 to 2011, developing and subdividing them before selling them for a profit of more than \$4.4 million. She claimed the properties were for personal use, but actually is carrying on a business. As a result, she should have registered for GST and lodged BASs and income tax returns to report the relevant property sales. ATO argued that she had evaded paying \$1,738,636 in tax!
- The ATO states “ If you are buying, selling or developing a property that isn’t your primary residence, you have tax obligations.” – a reminder to people that flipping properties for profit can count as running a business, requiring taxpayers to register for GST and lodge BASs and Tax Returns. Ref: ATO website, 21 November 2019

Important Dates – Feb'20

21 February 2020

- Lodge and pay January 2020 monthly business activity statement.

28 February 2020

- Lodge and pay quarter 2, 2019–20 activity statement if you lodge electronically.
- Lodge and pay quarter 2, 2019–20 PAYG Instalment if you lodge electronically.

- **To book an appointment for 2019 Tax Return or other tax related enquiry, please contact:**

May Shen

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>