

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

- **Scammers impersonate ATO phone numbers**
- Overseas scammers are sending pre-recorded messages in record numbers
- Call identification displays a legitimate ATO phone number
- **ATO confirms that “Our calls do not show a number on caller ID nor do we use pre-recorded messages.”**

- **ATO collects more than \$500 million from illegal phoenix operators**

Phoenix activity warning signs for employees:

- They don't receive a pay slip or their pay is late or less than minimum wage.
- The company ABN and name changes, but the phone number or address stays the same.
- Their superannuation or other employment entitlements are not being paid.

Phoenix activity warning signs for business owners

- A competitor is offering significantly lower quotes
- The directors of a company they are working with have been involved with liquidated entities.

Always confirm the entity is registered and its ABN is valid at abr.business.gov.au

- **Rental Deductions Focus this tax season:**
- Over-claimed Interest
 - a) If a taxpayer took out a loan wholly to purchase a rental property, they can claim interest as a deduction.
 - b) If they use some of the loan money for personal use, they can only claim part of the interest that relates to the rental property.

- Capital works claimed as repairs
 - a) Repairs or maintenance to restore something that is broken or damaged, are to be deducted immediately.
 - c) Improvement or renovations are capital works and are deducted over a number of useful years.
 - d) Initial repairs for damage are capital nature, should be deducted over the years.

- Holiday home expenses claimed incorrectly
 - a) A holiday home is a private asset used for family holiday, generally the taxpayer cannot claim expense deductions.
 - b) If a taxpayer rents the holiday home at a below market rates to family or friends, they can claim expenses up to the amount of income they receive.
 - c) If the property is genuinely available for rent – it can become a rental property and claim the relevant expenses involved.

Single Touch Payroll (STP) Update

Small employers (5-19 employees)

- Start reporting from 1 July to 30 September 2019
- May apply for more time to get ready

Micro employers (1-4 employees)

- No-cost or low-cost STP solutions
- Option: lodge quarterly through tax or BAS agent until 30 June 2021

Employers with closely held payees (19 or less employees)

- Exempt from reporting during 2020 income year.
- Report quarterly from 1 July 2020

Employees and Payment Summaries

- 1) a payment summary - Employers that are not STP ready will continue to provide employees with a payment summary by 14 July
- 2) an income statement – Employers with STP reporting are no longer required to provide a payment summary; instead this information will be made available to employees through myGov Account and finalized by 31 July
- 3) ATO will send a notification to an employee’s myGov inbox when all of their income statements are “tax ready”

Capital allowance: ATO proposes the effective life of 8 years for working dogs.

Recent Tax Case: Racing Board not liable for super guarantee for jockeys, the owner or trainer who employed or engaged that jockey to ride in the race to pay for their super guarantee. Ref: Racing Queensland Board v Commissioner Of Taxation (2019) FCA 509

Important Dates – June'19

21 June

- Lodge and pay May 2019 monthly business activity statement.

25 June

- Lodge 2019 *Fringe benefits tax annual return* for tax agents if lodging electronically. Payment (if required) is due 28 May.

30 June

- Super guarantee contributions must be paid by this date to qualify for a tax deduction in the 2018–19 financial year.

Booking an appointment for 2019 Tax Return is now open, please contact:

MAS Tax Accountants South Yarra

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