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The small business motor vehicle expenses fact sheet will help you answer common questions about:

- types of motor vehicle expenses you can claim;
- methods you can use to calculate your claim;
- private use of a business car;
- whether your vehicle is considered to be a car, and how this affects your claim; and
- records you need to keep.

If you use motor vehicles in your business, this fact sheet is for you.

Instant asset write-off for small businesses extended and increased

Small businesses will get an extra tax break following the recent announcement by the Government that the instant asset write-off scheme will be extended to 30 June 2020 for assets purchased under \$25,000 in value.

Small businesses will be able to immediately deduct assets costing less than \$25,000 instead of claiming deductions over a number of years. The new increased threshold of \$25,000 applies from 29 January 2019 (instead of \$20,000). There is no limit on how many assets can be claimed.

Tip!

Remember that this is a tax deduction, not a rebate. So, you need to have sufficient profit to write off the new asset against.

Taxable payments reporting system expanding

The Taxable payments reporting system (TPRS) is slowly being expanded to cover more and more industries. It first started with the building and construction industry and from 1 July 2018 also

Focus on small business

What the ATO is seeing in the small business market

- claiming private expenses through the business;
- how to attribute business and private use to an asset;
- how tax applies to different tax structures used for small business that may be complex and varied;
- not always including all taxable income.
- cracking down on the 'Black Economy';
- assisting small businesses to manage their cash flow and tax debt; and
- Single Touch Payroll (STP).

Motor vehicle expenses - how to get them right

The ATO has published a [new factsheet](#) on motor vehicle expenses to help small businesses get this right.

includes contractors that provide courier and cleaning services. Businesses that make payments to contractors in these industries will need to lodge their first annual report by 28 August 2019.

In late November 2018, legislation was passed to further expand the TPRS to contractor payments in the following industries:

- security providers and investigation services;
- road freight transport; and
- computer system design and related services.

Businesses will be required to lodge their first annual report for payments in these industries by 28 August 2020.

The ATO has issued some digital resources, fact sheets and webinar recordings to assist taxpayers to understand their reporting obligations. However, your primary resource for assistance is your tax agent or adviser.

Single Touch Payroll

Smaller employers – when to use Single Touch Payroll

If you are an employer with **19** or less employees, you should consider switching to reporting through Single Touch Payroll (STP).

Though you are not yet required to report through STP, you will be from **1 July 2019**. If you use online or cloud-based payroll software, you may be able to start reporting now.

You will need to report payments such as salary and wages, Pay As You Go (PAYG) withholding and super information when you pay your employees.

Low-cost Single Touch Payroll solutions for micro businesses

A range of simple, low-cost Single Touch Payroll solutions are expected to be available in the market from early 2019. These solutions will best suit micro employers (with one to four employees) who need to report through STP, but do not currently have payroll software.

There is a [list of software companies](#) on the ATO website that intend to develop solutions for micro businesses.

GST and small business

GST and property transactions

When will you get credits?

To ensure you can receive GST input tax credits on time, as part of the property settlement process, you should ensure that the supplier details you provide to the purchaser in your notification are correct. If you get the details right at the time of settlement, this will help avoid delays in the processing of your credits by the ATO.

Providing details to the ATO that are not quite correct can delay you accessing your credits and may require the ATO to validate your details.

To ensure timely processing, the ATO has detailed the following 6 steps to follow:

- Step 1:** provide correct Supplier details to the purchaser
- Step 2:** purchaser to enter Supplier details into Form 1 *GST Property Settlement Withholding notification*
- Step 3:** purchaser to pay the withholding amount and lodge Form 2 *GST Property Settlement Date confirmation*
- Step 4:** ATO to allocate a credit to the Supplier GST property credits account if this matches the details provided in Form 1
- Step 5:** Supplier to lodge a BAS declaring the property transaction
- Step 6:** ATO to process BAS and transfer credits to Supplier Activity Statement account.

Changes to GST settlement for residential property - can you apply the margin scheme?

New legislation affecting GST on purchases of new residential premises and potential residential land started to apply from 1 July 2018. The new legislation requires purchasers of certain land to withhold an amount from the purchase price and instead remit this amount to the ATO.

If you are in business and registered for GST and you are selling new residential premises or potential residential land, you may be able to apply the GST margin scheme to your sale.

If the margin scheme applies to your sale, you must notify the purchaser of the withholding amount to ensure the purchaser withholds the correct amount. The withholding amount is 7% of the contract price (cents are not included).

The new legislation has not changed the way the margin scheme applies or operates, including business activity statement (BAS) reporting. All property sales continue to be reported at label G1 and the GST on sales reported at label 1A on your BAS.

Do you make any GST-free sales?

Do you sell food? Do you supply education? Do you provide medical services? Do you sell any of the products and services in the list below?

- Most basic food
- Some education courses, course materials and related excursions or field trips
- Some medical, health and care services
- Some menstrual products (from 1 January 2019)
- Some medical aids and appliances
- Some medicines
- Some childcare services
- Some religious services and charitable activities
- Supplies of accommodation and meals to residents of retirement villages by certain operators
- Cars for disabled people to use, as long as certain requirements are met
- Precious metals

- Farmland
- Exports.

If so, some of the products and services you sell may be GST-free. This means, you don't need to charge GST on them and you can still claim any input tax credits you may be entitled to.

Fringe benefits tax

Did you throw a party for your employees to celebrate the festive season?

If so, you need to consider whether you have any FBT obligations associated with the party. If you also gave your employees a gift, there may be an FBT implication too.

It also makes a difference whether the party was held on your business premises or somewhere else.

If the cost of everything per person is less than \$300, you may have provided a 'minor benefit' which may be exempt from FBT.

Private use of cars and FBT

A car fringe benefit may arise when *your business* owns or leases a car and makes it available for an employee to use for private travel. It is the availability of the car for private use by an employee that is the 'fringe benefit'.

A car is 'available for private use' if it is garaged or kept at or near the employee's residence at any time on a day. Generally speaking, using the car to travel to and from work is 'private use' of the car.

If your business has recently acquired a car, you may have received a letter from the ATO to help you understand what your FBT obligations might be.

Note!

An 'employee' also includes a director.

Does your business own a rental property?

If you own residential rental property, you are only able to claim deductions for travel expenses relating to inspecting, maintaining, or collecting rent from the property if you are carrying on a rental property business or the property is owned by an excluded entity (e.g. a company).

The law changed on 1 July 2017 to restrict when travel expenses associated with rental properties could be claimed.

Ride sourcing

If you are running or are about to start running a ride-sourcing enterprise, you must get an Australian Business Number (ABN) and register for GST. Fares you receive are subject to GST and the money you receive from ride-sourcing is subject to income tax.

You can register for an ABN and GST at the same time online via www.abr.gov.au. We can also apply for an ABN and GST registration for you.

Your GST registration will need to start from the date you start your ride-sourcing enterprise.

If you are already registered for GST as an individual for another industry, you can use the same GST registration. Though, if you have a company, the company must have its own separate GST registration.

Superannuation

Proposed superannuation guarantee amnesty

There is a proposal to provide employers with a 12-month amnesty to self-correct past superannuation guarantee non-compliance without penalty.

If the Law is passed by Parliament, the amnesty will be available from 24 May 2018 to 23 May 2019.

Given the time period it covers, the ATO will apply the new law retrospectively to voluntary disclosures made within the time period.

Until the new law is passed, the current rules apply, which includes a '\$20 per employee per period' mandatory administration component to SG charge statements lodged by employers.

Event-based reporting for SMSFs

On 1 July 2018, the event-based reporting framework for self-managed superannuation funds (SMSF) began to apply.

The new framework helps the ATO to administer the transfer balance cap. Once the first member in the fund starts to receive a retirement phase income stream, the SMSF will have to report to the ATO.

The report about the transfer balance cap ('transfer balance account report' (TBAR)) is a separate reporting obligation to the Annual Return for the SMSF. The TBAR enables the ATO to record and track an individual's balance for both their transfer balance cap and their total superannuation balance. However, it is important that SMSF trustees and members monitor their own account balances.

Are the details of your SMSF up to date on the Australian Business Register?

If you make changes to the details of your SMSF, the Australian Business Register (ABR) needs to be updated within 28 days of those details changing. Changes to the following details must be updated on the ABR:

- trustees
- directors of the corporate trustee
- members
- contact details
- address
- fund status.

The Small Business Superannuation Clearing House: updated communication

The ATO has updated the way it notifies users of the Small Business Superannuation Clearing House (SBSCH) of changes to the SBSCH. The terms and conditions of the SBSCH have also be updated to provide small business users with a better understanding of:

- when a payment is 'accepted' by the SBSCH for an employer's superannuation guarantee contributions;
- what happens when a fund doesn't accept a payment (due to missing or incorrect payment instruction details); and
- when the superannuation guarantee charge applies.

Removing tax deductibility of non-compliant PAYG payments

From 1 July 2019, an employer can only claim deductions for payments made to employees or contractors where an employer has complied with the Pay As You Go (PAYG) withholding and reporting obligations for that payment.

If the PAYG withholding rules require an employer to withhold an amount from a payment they make to an employee or contractor, they must withhold the amount from the payment before they pay it and report the amount to the ATO.

Any payments made where the PAYG amount has not been withheld or reported are called 'non-compliant payments'. Non-compliant payments are not eligible for a deduction. If a mistake is made and the employer has withheld or reported an incorrect amount, the employer will not lose their entitlement to a deduction.

Key tax dates

Date	Obligation
21 Feb 2019	Lodge and pay January 2019 monthly BAS
28 Feb 2019	Lodge and pay SMSF Annual Return for new SMSFs (unless otherwise advised) Lodge and pay December 2018 Quarterly BAS (paper & electronic) Lodge and pay December 2018 Quarterly instalment notice Lodge Annual GST Return (if no tax return due)
21 Mar 2019	Lodge and pay February 2019 Monthly BAS
31 Mar 2019*	Lodge and pay tax return for companies and super funds with income >\$2M (unless due earlier) Lodge return for trust whose latest return has a tax liability ≥\$20,000
21 Apr 2019*	Lodge and pay March 2019 Monthly BAS
28 Apr 2019*	Lodge and pay March 2019 Quarterly BAS (paper) Pay March 2019 Quarterly instalment notice Employer super guarantee contributions due
15 May 2019	Lodge 2018 income tax returns not due earlier
21 May 2019	Lodge and pay April 2019 Monthly BAS
26 May 2019*	Lodge and pay March 2019 Quarterly BAS (electronic)
28 May 2019	Pay FBT return (if your business lodges one)

*Next business day applies instead.

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