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THE CP CATCHUP

WELCOME TO THE EIGHTEENTH EDITION OF THE CP CATCHUP

AUGUST 2015

Please check out our website at www.cpnnumbers.com.au and don't forget to follow us:



The ATO is Using SMS Messages to Try and Clear Debt

The ATO has advised that it is using SMS and emails for promotional and information purposes. They say that, if individual taxpayers receive an SMS or email claiming to be from the ATO, they can check the list of the ATO's current activities (on its website at ATO Online Services) to verify that it is genuine.

However, ATO messages will never ask taxpayers to reply by SMS and/or email to provide personal information, such as the taxpayer's tax file number (TFN) or their personal bank account number or BSB.

Current general notifications could include:

- Advice that an application has been received;
- A reminder to provide documents;
- A reminder to attend a meeting;
- Reminders to meet ATO obligations to avoid penalties, including:
 - Lodgement of outstanding tax returns, annual returns and/or business activity statements
 - Payment of debt
 - Payment of instalments as negotiated with the ATO;
- Advice of new tax rates;
- Important information for the business or industry;
- Promotion of a product or service the ATO offers, such as myTax, myGov, Superseeker and similar; and
- Notification of delays and system outages.

Ref: NTAA Voice – Edition 249

ATO Warns Over-Claiming is Easier to Detect Than Ever

In relation to 2014/15 individual income tax returns to be lodge this year, the ATO says it will be focusing on:

- Unusually high work-related expense claims across all industries and occupations;
- Expenses claimed that have already been reimbursed by employers; and
- Claims for private expenses such as travel from home to work.

Assistant Commissioner Adam Kendrick said that the ATO's ability to identify and investigate claims that differ from the 'norm' is improving each year at a rapid rate due to enhancements in technology and the use of data.

"These enhancements meant that every return is scrutinized and it is becoming a lot easier to identify claims that are significantly higher than those claimed by people with similar occupations and employment income," Mr Kendrick said.

Ref: NTAA Voice – Edition 249



Builders and Contractors Annual Payment Report

The ATO has updated an information sheet on the builders' and contractors' taxable payments annual report, and reminded taxpayers that the report is due to be lodged by 28 August.

Taxpayers need to report payments they make to contractors for building and construction services.

The definition of building and construction services is broad and includes any activities if they are performed on, or in relation to, any part of a building, structure, works, surface or sub-surface.

The information sheets contains a list of occupations and work activities that satisfy the definition of building and construction services, and examples of buildings, structures, works, surfaces or sub-surfaces.

Ref: NTAA Voice – Edition 250

Claiming Car Expense Deductions - Modernising the Existing Car Expense Claim Methods

Currently, an individual (or a partnership which includes at least one individual partner) can claim car expense deductions in respect of a car owned or leased (e.g. by the individual) using one of the four methods in Division 28 of the ITAA 1997:

- The 'cents per kilometre method'
- The '12% of original value method'
- The 'one-third of actual expenses method'
- Or the 'log book method'

From the 2015/16 income year, the government will modernise the methods of calculating work-related car expense deductions, as follows:

- The '12% of original value method' and the 'one-third of actual expenses method' (which are used by less than 2% of those who claim work-related car expenses) will be removed.
- The 'cents per kilometre method' will be modernised by replacing the three current (cents per kilometre) rates based on engine size, with one rate set at 66 cents per kilometre (in respect of all cars).

The Commissioner will be responsible for updating the rate in following years.

Ref: NTAA 2015/2016 Budget

Client In Focus - Remy Tapas

Remy is a special cosy restaurant with spectacular food, of the best quality, in a spectacular European lounge. It has not taken long for Remy's reputation as Malvern's 'SPANISH GEM' to proudly make its mark. We take you straight to Spain & Europe with our warm rustic interior. Remy is renowned for its wide range of delicious tapas as well as it's Mediterranean a la carte menu, delicious local, Spanish & international beers and wines including our own sangria to die for! We live the spirit, fun & essence at Remy taking you back to the great tapas bars of Spain, where you can enjoy in either our Terrazza Room where the terracotta tiles & large oil mural give you the outdoor feel indoors, or in our Bar Room where you can enjoy Spanish beer at our mahogany bar.

Why not relax & meet friends at our mirrored bar room while you savour a tapas or two or dine in our elegant simple restaurant and soak in the great atmosphere that surrounds you.



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