



THE CP CATCHUP

WELCOME TO THE TWENTY-FOURTH EDITION OF THE CP CATCHUP

DECEMBER 2016

With Christmas almost upon us, the team at CP would like to thank you for your support during 2016. We wish you and your families all the best this holiday season and we look forward to working with you again next year. Merry Christmas!

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

Superannuation Changes Passed by Parliament

The Government had proposed making extensive changes to the taxation laws regarding superannuation, and the government has since introduced **and passed** the Bills containing these changes, on 23 November 2016. According to the Treasurer, Mr Scott Morrison: "The superannuation reform package better targets tax concessions to make our superannuation system fair and sustainable, as the population ages and fiscal pressures increase. The reforms include the introduction of a \$1.6 million transfer balance cap, which places a limit on the amount an individual can transfer into the tax-free earnings retirement phase and the introduction of the Low Income Superannuation Tax Offset, which is expected to boost the retirement incomes of around 3.1 million low income earners. To reflect how people work and save in our modern economy the reforms provide more flexibility to help Australians save for their retirement. The two key measures that deliver this improved flexibility are:

- the removal of the '10% rule' which will ensure a level playing field for access to superannuation tax concessions irrespective of their employment situation. This will particularly help contractors who also draw income from salary and wages. In 2017/18, it is estimated this change (will) benefit 800,000 individuals: and
- the ability for individuals with superannuation balances below \$500,000 to make 'catch up' concessional contributions, which will help those with broken work patterns – the overwhelming number of whom are women – better save the their retirement. In 2019/20, this change is expected to help around 230,000 people."

"The passage of the package will make it possible for Australians to manage their superannuation and plan their retirement with certainty. It will also provide certainty for the superannuation industry, allowing it to implement the reforms by 1 July 2017.

Ref: Treasurer's media release, 23 November 2016

Personal Income Tax Cuts Are Law

The Government has announced that, from 1 July 2016, for individual taxpayers, the marginal tax rate of 37% will start at \$87,000 instead of the current \$80,000. The following are the rates for adult residents for the 2016/17 income year (i.e., from 1 July 2016).

Taxable income	Tax on this income
0 - \$18,200	Nil
\$18,201 - \$37,000	19c for each \$1 over \$18,200
\$37,001 - \$87,000	\$3,57232.5c for each \$1 over \$37,000
\$87,001 - \$180,000	\$19,822 plus 37c for each \$1 over \$87,000
\$180,000 and over	\$54,232 plus 45c for each \$1 over \$180,000

Overdue Taxable Payments Annual Reports

The ATO is contacting businesses in the building and construction industry about their overdue taxable payments annual reports. They state: "If your clients have not lodged their 2016 or any prior year taxable payments annual reports, now is the time to get them back on track to avoid penalties. "Regardless of where your clients claim their contractor expenses in their tax returns, if they have paid contractors for building and construction services they need to lodge a Taxable payments annual report. "Depending on your clients' circumstances they may have claimed these expenses at the:

- Contractor, commission and sub-contractor expense label;
- Cost of sales expenses label; or
- Other expense label"

Ref: ATO website, 31 October 2016

Online Selling Data Matching Program

The ATO will continue to acquire online selling data, relating to registrants who sold goods and services to an annual value of \$12,000 or more during the 2015/16, 2016/17 and 2017/18 financial years, from eBay Australia and New Zealand. It is estimated that between 20,000 and 30,000 records will be obtained and that around half of the matched accounts will relate to individuals. Among other objectives, the data will be used to detect unreported income through discrepancy matching, and identify those operating a business but failing to meet their registration, lodgement or payment obligations.

Ref: Government Gazette – C2016G01396



OUR OFFICE WILL BE CLOSED
FROM 5PM WEDNESDAY 21 DECEMBER 2016
& WILL REOPEN 8:30AM MONDAY 9 JANUARY 2017

