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THE CP CATCHUP

WELCOME TO THE THIRTIETH EDITION OF THE CP CATCHUP

MAY 2019

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Instant Asset Write-off Increased and Extended

For business clients, the threshold has increased to \$30,000, and has been extended to 30 June 2020. The instant asset write-off now also includes businesses with a turnover from \$10 million to less than \$50 million to less than \$50 million. These businesses can claim a deduction of up to \$30,000 for the business portion of each asset (new or second hand), purchased and first used or installed ready for use from 7.30pm (AEDT) on 2 April 2019 until 30 June 2020. Businesses with a turnover of up to \$10 million can also claim a deduction for each asset purchased and first used or installed ready for use, up to the following thresholds:

- \$30,000 from 7.30pm (AEDT) on 2 April 2019 until 30 June 2020
- \$25,000, from 29 January 2019 until before 7.30pm (AEDT) on 2 April 2019
- \$20,000 before 29 January 2019.

Business clients can't immediately claim a deduction for individual assets that cost \$30,000 or more. They can continue to deduct these over time using the small business pool or the general depreciation rules, depending on their turnover.

Source: Ref: ATO website – Instant-asset-write-off-increased-and-extended/

Scammers Fake ATO Phone Numbers

There is a current scam involving pre-recorded robocalls impersonating the ATO and threatening immediate arrest for an unpaid tax debt. The scammers use a technology known as "spoofing" to show a genuine ATO number on the caller ID. If you receive one of these calls or a voicemail, hang up or delete it. If you have shared personal information, or have made a payment to a scammer, the ATO encourages you to call the ATO dedicated scam line on **1800 008 540**.

A reminder, the ATO will never:

- Issue a pre-recorded message (robocall) to your phone
- Present a phone number on caller ID
- Threaten immediate arrest, jail or deportation for unpaid tax debts
- Demand immediate payment of a tax debt by direct credit to a personal bank account, via iTunes or Google Play cards, pre-paid Visa cards, or cryptocurrency
- Refuse to allow you to speak with a trusted advisor or regular tax agent
- Attempt to keep you on the line until you make a payment

Scammers are becoming more sophisticated, using technology that allows them to replicate caller IDs, websites and email addresses. The best way to protect yourself against scams is to:

- Not share personal details such as their tax file number, date of birth, credit card or bank details, unless you know you can trust the person they are dealing with.
- Be aware of the status of your tax affairs.
- When in doubt, refer all enquiries to us, your friendly tax agent.

Source: Ref: ATO website



Single Touch Payroll for Small Employers - a message from the ATO

Single Touch Payroll (STP) reporting has been extended to all employers. This means small employers (those with 19 or fewer employees) must start reporting to us through STP from 1 July 2019. The ATO understand this is a big change and the 1 July deadline could be difficult to achieve, therefore the ATO will allow reporting to start any time from 1 July to 30 September 2019. As long as employers begin during this period, they will be reporting on time.

What STP reporting means for your members:

- It changes the way their employer report their tax and super information to the ATO
- It aims to address the estimated \$2.8B super guarantee (SG) payment gap by creating earlier visibility of late or non-payment of SG. This means the ATO can intervene earlier to ensure employers are meeting their obligations and employees receiving their entitlements.

Under STP, employers will report their employees' tax and super information when they pay them – either directly from their payroll software or other STP-enabled reporting software, or through a third-party provider such as a registered tax agent. Employees can see their payroll information, as reported through STP, by logging into their ATO online account through myGov. Every time they're paid, their year-to-date tax and super information will be updated in ATO online services.

➔ For more information visit <https://www.ato.gov.au/business/Single-Touch-Payroll>

Source: Ref: ATO website, Super / APRA-regulated funds / In-detail / News / Single Touch Payroll for small employers

Tax Office to Double Audits of Dodgy Rental Deductions

Rental property owners are being warned to ensure their claims are correct this tax time, as the Australian Taxation Office (ATO) announces it will double the number of audits scrutinising rental deductions. In the 2017-18 financial year, more than 2.2 million Australians claimed over \$47 billion in deductions. Assistant Commissioner Gavin Siebert says that this year, the ATO has made rental deductions a top priority. "A random sample of returns with rental deductions found that nine out of ten contained an error. We are concerned about the extent of non-compliance in this area and will be looking very closely at claims this year," he said.

When it comes to dodgy claims, the ATO's detection methods are becoming more advanced. "We use a range of third party information including data from financial institutions, property transactions and rental bonds from all states and territories, and online accommodation booking platforms, in combination with sophisticated analytics to scrutinise every tax return," Mr Siebert said. "We expect to more than double the number of in-depth audits we conduct this year to 4,500, with a specific focus on over-claimed interest, capital works claimed as repairs, incorrect apportionment of expenses for holiday homes let out to others, and omitted income from accommodation sharing," Mr Siebert said. "Once our auditors begin, they may search through even more data including utilities, tolls, social media and other online content to determine whether the taxpayer was entitled to claims they've made," he said. While no penalties will apply for taxpayers who amend their returns due to genuine mistakes, deliberate attempts to over-claim can attract penalties of up to 75% of the claim. In 2017-18, the ATO audited over 1,500 taxpayers with rental claims, and applied penalties totaling \$1.3 million. "This tax time, our message to taxpayers is clear. If you are renting out a room or a property, any money you earn must be declared as income and any deductions you claim may need to be apportioned for private use," Mr Siebert said.

For more information visit <https://www.ato.gov.au/General/Property/Holiday-homes/>

Source: Ref: ATO website – Media-centre/Media-releases/Tax-office-to-double-audits-of-dodgy-rental-deductions