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THE CP CATCHUP

WELCOME TO THE NINETEENTH EDITION OF THE CP CATCHUP

NOVEMBER 2015

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ATO Data Matching Program : Credit and Debit Cards

The Australian Taxation Office (ATO) has published a notice advising that it will request and collect data relating to credit and debit card payments to merchants for the periods from 1 July 2014 to 30 June 2015 from financial institutions. The data requested will include information that enables the ATO to match merchant accounts to a taxpayer, including name, address and contact information as well as information on the number and value of transactions processed for each merchant account. This acquired data will be electronically matched with ATO data holdings to identify possible non-compliance with taxation law.

Ref: PWC TaxTalk October 2015 Update

Holiday Rentals Under the Microscope

The Australian Taxation Office (ATO) has advised that it is sending letters to taxpayers in approximately 500 postcodes across Australia, reminding them to only claim the deductions they are entitled to, for the periods a holiday home is rented out, or is genuinely available for rent.

They advise that, to avoid making mistakes on their tax return, property owners should:

- Keep accurate records to ensure they declare the right amount of rental income and have evidence for claims made; and
- Only claim deductions for the periods the property is rented out, or is genuinely available for rent.

If a property is rented at below market rates, for example to family or friends, claims for deductions must be limited to the income earned while rented.

Ref: Aylmore & Associates Practice Update October 2015

GST on All (Taxable) Online Transactions from 1 July 2017

The (now former) Treasurer recently announced that the States and Territories had unanimously agreed in principle to reduce the GST threshold on imported goods and services (currently at \$1,000) to zero. The new arrangements will apply from 1 July 2017. He said that he had put forward a proposal that relies on a vendor registration model as a method of collecting the GST. As goods would not be stopped at the border, administering a vendor registration model would have a relatively low cost. Non-residents (overseas suppliers) will be the ones who charge, collect and remit the GST for digital and physical products. As is the case in Australia, only vendors with an Australian turnover of at least \$75,000 will need to register and charge the GST.

Ref: Aylmore & Associates Practice Update October 2015



ATO's Small Business App

The ATO have released a Small Business app, which has been downloaded by more than 500,000 people so far. The app's most useful features for small businesses are:

- ABN Lookup, which verifies business details.
- Tax withheld calculator, which shows you how much tax to withhold.
- Key dates, which can set important tax and superannuation reminders and alerts.
- Payment plan estimator, which shows you how quickly you can pay off a tax debt.
- Report a concern, which enables you to report suspected tax evasion.

Business performance check tool

The ATO has also released a new function for the app which includes a business performance check tool which provides a snapshot of profitability, cash flow, working capital and debt serviceability.

It also compares a business's performance against similar businesses in its industry using the benchmark database.

My deductions

This tool allows taxpayers to upload their receipts and information for deductions for the 2015/2016 year. Taxpayers are advised to simply take a photo of a receipt and upload it. The deductions covered include:

- Work-related expenses;
- Car expenses – including a trip information calculator using Google maps that multiplies the cents per km based on the trip point to point;
- Travel;
- Uniforms
- Self-education; and
- Other types of deductions, such as cost of managing tax affairs, and donations.

Data will be stored in the taxpayer's mobile device and, at the end of the financial year, can be uploaded into their tax return, like other pre-filled data, or shared with their tax agent.

Ref: NTAA Voice – Edition 251

Client In Focus - Monarch Institute

Monarch Institute provides engaging and well-structured courses that are nationally recognised across Australia, including financial planning, accounting and bookkeeping and management courses. All our courses are written by industry experts, who liaise and work closely with employers to ensure the necessary industry specific subject matter is carefully and comprehensively integrated throughout the course. It's not just the knowledge we are focussed on in regard to your learning. We are equally focussed on the skills you need to develop in order to be successful in your chosen industry. Our focus is for you to hit the ground running with a competitive edge in the industry of your choice. We want you to be able to make a valuable contribution in your industry immediately upon your course completion.

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