

MARCH 2015

Client eBrief



SJ BOOKKEEPING PTY LTD



You can now **RELY** on the **ABN Lookup**

Tool

ICB is pleased to announce that the ATO and Government have listened.

We have lobbied for some time that if the ATO requires you to check the ABN and GST status of your suppliers then they **HAVE** to state unequivocally that you are allowed to rely on it. We quote the new

ATO Lodgement Dates

These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly Lodgement –
January Activity Statement:
21st February 2015 final date
for lodgement and payment.

BAS/IAS Monthly Lodgement –

disclaimer.

Relying on Information in ABN Lookup

The Commissioner of Taxation has advised that:

If you primarily rely on information about another entity in ABN lookup to self-assess your taxation liabilities or entitlements, and that information turns out to be incorrect:

- The Commissioner will not take compliance action to recover any tax shortfall
- You will also be protected against any false or misleading statement penalty and any interest charges.

However, you will not be protected against any liability to tax shortfall, penalties or interest charges if you and the entity on ABN Lookup are associates. More information about associates can be found at Associates Details.

What does this mean?

You should check the ABN to put it beyond any doubt that your business is allowed to claim back GST charged by suppliers.

It is the law!

You can now check and rely on that check!

Thank You

We express our appreciation to ATO Commissioner Mr Chris Jordan and Deputy Registrar of the ABR Mr Mark Jackson and Deputy Commissioner (Indirect Tax) Mr James O'Halloran for their work in bringing this practical change to fruition.

Disclaimer

The Registrar makes every reasonable effort to maintain current and accurate information on this site. The Commissioner of Taxation advises that if you use ABN Lookup for information about another entity for taxation purposes and that information turns out to be incorrect, in certain circumstances you will be protected from liability. For more information see disclaimer.

Important Information for Users of the ABN Lookup Services

This website is presented as a convenient, free of charge way for you to access a partial, online version of the Australian Business Register (ABR).

This service is maintained under the A New Tax System (Australian Business Number) Act 1999, the main objective of which is to make it easier for businesses to conduct their dealings with the Australian Government. Due to the limitations outlined below, neither the Registrar of the ABR nor the Federal Government accept any liability arising from use of, or reliance upon, this service.

February Activity Statement:
21st March, 2015 final date for lodgement and payment.

BAS/IAS Monthly Lodgement –
March Activity Statement: 21st
April, 2015 final date for
lodgement and payment.

2nd Quarter of FY 2015: BAS
Lodgement – December
Quarter 2014(including PAYGI) 28th
February, 2015 final date for
lodgement & payment

3rd Quarter of FY 2015: BAS
Lodgement – March Quarter
2015(including PAYGI) 28th
April, 2015 final date for
lodgement & payment

When a due date falls on a
Saturday, Sunday or Public
Holiday, you can lodge or pay
on the next business day.

A public holiday is a day that is
a public holiday for the whole of
any state or territory in Australia

Due date for super guarantee
contributions, for **2nd Quarter
of FY 2015**, October to
December 2014 - contributions
to be made to the fund by 28th
January, 2015.

Due date for super guarantee
contributions, for **3rd Quarter
of FY 2015**, January to March
2015 - contributions to be made
to the fund by 28th April, 2015.

The super guarantee charge is
not a tax deduction if not paid
by these dates.

Refer to the ATO for details
regarding any SGC charges
applicable if not paid by due
date.



PAYG Withholding

Pay as you go (PAYG) withholding is a legal requirement by an employer to withhold amounts from payments to employees. The tax withheld is determined by the ATO tax scales published each year for weekly, fortnightly and monthly payments.

Who Withholds and Pays PAYG Withholding?

- Any business who has employees
- Any business where a contractor asks for Voluntary PAYG withholding
- Any business who has employees
- Any business that has payments to other business where no ABN is quoted
- Any business who has employees
- Any business that pays dividends or royalties to non-residents

Obligations of PAYG Withholding Employers

- Register to pay as you go (PAYG) withholding
- Withhold amounts from wages and other payments
- Lodge activity statements and make payments of PAYGW
- Provide payment summaries to workers
- Lodge Payment Summary Annual Report

When to Report PAYG Withholding

Small withholders – Withholds \$25,000 or less per year, lodge quarterly (though you can choose to lodge monthly)

Medium withholders – Withholds \$25,001 to \$1 million per year, lodge monthly

Large withholders – Withholds \$1 million per year or more, lodge twice a week electronically.

Records to Keep for PAYG Withholding for Five Years

Records to Keep for PAYG Withholding for Five Years

- Wages records, including payment records
- Voluntary agreements
- Employment declarations – Tax Number and withholding declarations
- Copy of payment summaries
- Copy of employment termination payments (ETP)
- Records of Personal Services Income (PSI) you have attributed
- Statements by a supplier where no ABN was quoted, amounts withheld and annual report

Reporting PAYG Withholding

The PAYG tax withheld section on the Business Activity Statement is the area to report PAYGW. There

are 4 sections of the PAYG tax withheld: W1, W2, W3 and W4. The following information outlines what payments to include each section.

W1 - Total Salary, Wages and Other Payments

Payments to include in W1 are:

- Salary, wages, allowances, leave loading paid to employees
- Directors fees
- Salary and allowances paid to office holders (including members of parliament, statutory office holds, defence force members and police officers)
- Payments made by a labour hire firm to labour hire workers under a labour hire arrangement
- Employment Termination Payments (ETP)
- Payment for unused annual or long service leave
- Payments to religious practitioners
- Superannuation income stream (Super Funds)
- Superannuation lump sum (e.g. super salary sacrifice amounts - this reduces the gross amount reported)
- Commonwealth education and training payments

Note: include ALL payments subject to withholding even if no tax was withheld because earnings were below the taxable threshold.

Payments NOT to include in W1 are:

- Amounts subject to salary sacrifice arrangements (Not For Profit entity arrangements)
- Super guarantee contributions
- Departing Australia superannuation payments (Super Funds)
- Payments from which you withheld an amount because an ABN was not quoted
- An investment distribution from which you withheld an amount for non-quotation of a tax file number
- Interest, dividends or royalty payments from which you withheld an amount for a payment to a foreign resident
- Payments to foreign residents for entertainment, sports, constructions and casino gaming junket activities

W2 - Amount Withheld from Payments in W1

Amounts of PAYG tax withheld from salary, wages and other payments reported in W1.

W3 - Other Amounts withheld (excluding amounts shown in W2 or W4)

- Interest, dividends or royalty payments you made to a foreign resident
- Interest, dividends, unit trust or other investment distributions you made where TFN is not provided
- Any departing Australia superannuation payments (Only applicable to Super Providers)
- Any payments you made to foreign residents for
 - Entertainment and sport activities
 - Construction and related activities
 - Arranging casino gaming junket activities

W4 - Amounts withheld where no ABN is quoted

Amount withheld from supplier's payment of 49% of the invoice where ABN not quoted

W5 - Total amounts withheld (W2 + W3 + W4)

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances.

For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

SJ BOOKKEEPING PTY LTD

SHEREE DAVIES

Telephone: 0478 086 008

Email: sheree@sjbookkeeping.com.au

WEB: www.sjbookkeeping.com.au

SJ BOOKKEEPING PTY LTD

