

**JUNE 2015**

# Client eBrief



Institute of Certified Bookkeepers  
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## 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 – April  
Activity Statement: 21<sup>st</sup> May, 2015  
final date for lodgement and payment.

BAS/IAS Monthly Lodgement – May  
Activity Statement: 21<sup>st</sup> June, 2015

## Budget News

**Budget Highlights** - Not legislation YET!

- Company tax rate cut to 28.5% from 01/07/2015 for small business with a turnover of less than \$2 million.
- Sole-trader business income from un-incorporated business with a turnover of less than \$2 million will be eligible for a discount of 5%

on the income tax payable. This will be capped at \$1,000 per individual per financial year and will be provided by means of a tax offset after completing the tax return.

If you would like to change your structure you can now do so without incurring a capital gains tax consequence. From 1 July 2016. We have had CGT rollover if you were to change to a company but this proposal means other changes as well.

Start-up expenses deductions will be immediately deductible rather than having to deduct over a 5 year period. Currently proposed for the 2016 year only.

There is now a requirement for offshore service providers to charge GST but not in business to business transactions from 1 July 2017.

Cars to a flat rate of 66c per km for up to 5,000kms or log book method (12 weeks) as from 1 July 2015. A log book can be started at anytime BUT for the first year of use must be WITHIN the tax year, i.e. started after 1 July 2015. The % established can be used for up to 5 years.

Paid parental leave proposed changes from 01/07/2016 - employees earning minimum wage will still be eligible for \$11,500 for 18 weeks of leave, however from the date of implementation only employees whose employer does not provide parental leave entitlements will be eligible for PPL (either full amount or partial "top-up" amount).

### **Fringe Benefits Tax**

FBT rate increase from 47% to 49% from 01/04/2015 to 31/03/2017.

ATO statutory interest rates for FBT loans to 31/03/2016 decreased to 5.65%.

FBT exemptions will be brought in for business with less than \$2 million turnover for all work related electronic devices from 01/04/2016.

### **Assets and Depreciation**

Asset write-off up to \$20,000. Yes, the asset laws have changed yet again. From 12/05/2015 a business can claim an immediate deduction for each asset at a cost of up to \$20,000. This will apply to assets acquired and installed for use between 7.30pm on 12/05/15 and 30/06/17. From 01/07/17 the depreciation threshold and the value of the small business assets pool will revert to the existing provisions.

If the Asset pool balance drops below \$20,000 at the end of 30 June 2015, 2016 or 2017 it can be written off.

### **Superannuation Update**

Superannuation rate is 9.5% from 01/07/2014. This rate will remain in place until 30/06/2021.

final date for lodgement and payment.

BAS/IAS Monthly Lodgement – June Activity Statement: 21<sup>st</sup> July, 2015 final date for lodgement and payment.

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**4th Quarter of FY 2015: BAS Lodgement – June Quarter 2015 (including PAYGI)** 28th July, 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

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Due date for super guarantee contributions, for **4th Quarter of FY 2015**, April to June 2015 - contributions to be made to the fund by 28th July, 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.



## **ATO Approach to Information Gathering**

### **Introduction**

These guidelines explain the ATO's approach to information gathering. The ATO set out what to expect from them and what the ATO expect from you. Their approach is governed by a set of principles.

### **Their Principles**

Their information-gathering principles are followed by their officers. The ATO help ensure that all officers gather information in a fair and professional manner and for the proper application of the laws the ATO administer.

### **Cooperative Approach**

The ATO prefer to gather your information by simply requesting it from you. This cooperative approach does not involve the theme of formal powers.

Theming a cooperative approach helps them to streamline the information-gathering process. By working with you in this way, the ATO can build good working relationships and minimise cost and disruption. In most cases, The ATO find the information they need can be gathered in this manner without having to theme formal powers.

If the ATO cannot obtain the information they require in a cooperative way, they may theme their formal powers. The ATO may also theme their formal powers at the outset in certain circumstances. Their formal powers fall into the two broad categories – notice powers (including notices to attend an interview) and access powers.

### **Their Formal Notice Powers**

Their notice powers require you to provide information, attend and give evidence or produce documents. These guidelines help you understand the reasons why you may have received a notice, what to expect from them, what the ATO expect from you, and how you should respond.

### **Attending a Formal Interview**

The ATO may issue you a notice to attend an interview if it is preferable to obtain information verbally, seek immediate explanations or if there are no relevant documents or other information available.

The ATO provide specific guidance on what to expect when attending an interview, your rights and obligations and how they conduct the interview.

### **Their Formal Access Powers**

Their access powers allow them, at all reasonable times, to gain access to your premises and documents. These guidelines explain their approach to theming these powers. The ATO only exercise their rights of access for the purposes of the laws they administer.

Generally, the ATO will give you prior notice before exercising an access power. However, in exceptional circumstances they may not give you notice beforehand – for example, if they believe that documents they need may be destroyed.

#### **Limits to Their Formal Powers**

In some situations, you may be able to claim your documents are protected by legal professional privilege. Administrative concessions for professional accounting advisers' papers (the accountants' concession) or certain corporate board advice on tax compliance risk may also apply. The ATO give you adequate opportunity to consult with their advisers to make a claim, and they will work with you where possible to agree on a procedure for resolving such claims.

#### **Gathering Offshore Information**

The ATO have increased their focus on international tax issues. Although the ATO have specific powers to gather information and documents from overseas, they can theme their domestic powers to obtain offshore information. The ATO can also exchange information with other tax jurisdictions.

#### **Gathering Electronic Information**

The ATO prefer you to give them information electronically. The ATO have provided specific guidance on the approach they take to help them work together and ensure your information is given to them in an efficient and effective way.

#### **Resolving Disputes**

The ATO seek to identify and resolve disputes as early as they can. To help them achieve this, the ATO engage their technical specialists and senior decision makers in a dispute as early as possible. The ATO also theme alternative dispute resolution approaches when possible. Identifying and resolving disputes early helps them minimise the costs of managing disputes for all parties.

ATO – Their approach to information gathering

**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.**

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