

JULY 2016

Client eBrief



ATO Lodgement Dates

ATO Advises on Super Changes Following on from the Budget

The ATO Tax Practitioner Advisory Group meeting was held on Friday 20 May 2016.

Proposed Superannuation Reform

If the proposed reforms are legislated:

- The lifetime cap will take effect from 7:30pm on 3 May 2016, taking into account all non-concessional contributions made since 1 July 2007.
- The Budget 2016 superannuation fact sheet 04 highlights that this change is only expected to affect a relatively small number of individuals, contributing more than \$500,000 non-concessional amounts.
- We do not currently publish information on superannuation fund members who have contributed more than \$500,000 in non-concessional contributions to their superannuation fund.
- We can calculate the non-concessional contribution amount for all

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 – June Activity Statement: 21st July, 2016 final date for lodgement and payment.

BAS/IAS Monthly Lodgement – July Activity Statement: 21st August, 2016 final date for lodgement and payment.

BAS/IAS Monthly Lodgement – August Activity Statement: 21st September, 2016 final date for lodgement and payment.

4th Quarter of FY 2016: BAS Lodgement – June Quarter 2016 (including PAYGI) 28th July, 2016 final date for lodgement & payment

When a due date falls on a Saturday,

superannuation fund members (from 1 July 2007 to 30 June 2015) where individuals and superannuation funds have met their lodgment obligations.

**The contact details to obtain this amount is: 13 10 20
A response will be provided through a call back service within 48 hours.**

We will be using the data and information in our holdings to work with super funds and their members to inform them when members are likely to be approaching or exceeding their contribution limit.

If the remaining reforms proposed for superannuation are legislated:

- They will take effect from 1 July 2017.
- The Budget 2016 superannuation fact sheets provide further detail about the proposed measures.
- We recognise the need to provide visibility and certainty for tax practitioners to enable individuals to make informed decisions about their superannuation contributions.
- We will be using the data and information in our holdings to work with super funds and their members to inform them when members are likely to be impacted by the proposed measures.

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

ATO gives small business extension for SuperStream compliance

Small business has been granted a short reprieve for adopting SuperStream, with the ATO extending the compliance deadline to October 28

Please Note: Due date for Super Guarantee Contributions, for:

4th Quarter of FY 2016, April to June 2016 - contributions to be made **to the fund** by 28th July, 2016.

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

Super Guarantee Contributions must be paid (**to fund**) by 30th June to qualify for a tax deduction in the 2015–16 financial year.

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



Private Expenses

The ATO acknowledges that at times it is convenient for a business owner to purchase goods through their business that are in fact for private use, and also that there are goods that are purchased that may legitimately be used for both home and work purposes.

There is no problem with you paying for such goods through your business; however, you cannot claim the GST or the purchase amount as a business-related expense where it relates to private usage, unless Fringe Benefits Tax applies.

You may only claim a GST credit for the portion that relates to business usage.

Generally a business would report the private usage adjustment on each BAS quarterly.

How to Work out the Private Portion of Expenses

1. Estimate or calculate accurately the portion of private use
2. Calculate the percentage of private use cost and the corresponding GST amount
3. Adjust the GST claim on each BAS

Annual Private Apportionment

A small business may elect to account for private usage annually rather than quarterly in some circumstances:

- Your annual turnover is less than \$2 million
- You must assess eligibility for annual reporting by 31 July each year.

This means that you only make one adjustment either at the end of the financial year or in conjunction with the preparation of your income tax return, to account for private usage throughout that year.

Criteria for Claiming a GST Credit in Relation to Private Expenses

- The purchase must be at least partly for business use
- GST is included in the purchase price
- The business has paid (or will pay) for the expense
- You have a valid tax invoice for the purchase

Common Examples of Private Expense Adjustments

- Purchase of a laptop computer for use at both home and office
- Purchase of vehicle for both leisure and work use
- Percentage of contractor's invoice where work was performed at home office

Hospitality Industry Stock Used for Private Use

The ATO will accept an estimate of the value of goods taken from trading stock for private use in certain hospitality/food related businesses. The ATO publishes a schedule of accepted amounts for each financial year. See below for detail if relevant to your business

What You Can't Claim

You may not claim expenses that are solely private or domestic in nature, for example, childcare fees, clothing, or paying a cleaner for your home. Nor can you claim expenses that are not legally tax deductible such as parking fines, loans undertaken to pay off an ATO debt, or penalties imposed by court order.

Entertainment expenses are in their own category. You may be able to claim some entertainment expenses where it relates to employees and associates, however, these may also be considered for Fringe Benefits Tax. You will need to check before claiming the cost of any entertainment related expenses.

Bookkeeping and BAS Preparation

As your bookkeeper/BAS agent, I will make any necessary adjustment on your BAS according to your instructions regarding specific percentages related to the following expenses:

- Vehicle use
- Laptop use
- Contractor XYZ

- Other...

You may need to provide the accountant with verification for your claims at the end of the financial year.

References

- [ATO Fringe Benefits Tax and Entertainment](#)
- [ATO Hospitality Industry Stock Used](#)
- [ATO Ruling on Value of Goods Taken for Private Use 2015](#)
- [ATO Annual Apportionment](#)

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