



The winter months have gone and now spring is in the air!

We would like to congratulate Jamie on completing his final units at Southern Cross University and will graduate next year with a Bachelor of Business in his back pocket. Matt attended the NTAA's Super Schools in Brisbane last week and is well up to date with all the latest news and changes.

From the team at  
**Advantage Plus Tax**

### **ATO: Combatting the cash economy**

The ATO has reminded taxpayers that it uses a range of tools to identify and take action against people and businesses that may not be correctly meeting their obligations. Through 'data matching', it can identify businesses that do not have electronic payment facilities.



## No Small business tax rate for passive investment companies

The Government has released draft tax legislation to clarify that passive investment companies cannot access the lower company tax rate for small businesses of 27.5%, but will still pay tax at 30%.

The amendment to the tax law will ensure that a company will not qualify for the lower company tax rate if 80% or more of its income is of a passive nature (such as dividends and interest).

The Minister for Revenue and Financial Services said the policy decision made by the Government to cut the tax rate for small companies was meant to lower taxes on business, and was not meant to apply to passive investment companies.

## ATO to be provided with some super guarantee information

The Government has announced a package of reforms to give the ATO near real-time visibility over superannuation guarantee (SG) compliance by employers.

The Government will also provide the ATO with additional funding for a SG Taskforce to crackdown on employer non-compliance.

The package includes measures to:

- require superannuation funds to report contributions received more frequently (at least monthly) to the ATO, enabling the ATO to identify non-compliance and take prompt action;
- require employers with 19 or fewer employees to transition to single touch payroll ('STP') reporting from 1 July 2019;
- improve the effectiveness of the ATO's recovery powers, including strengthening director penalty notices and use of security bonds for high-risk employers, to ensure that unpaid superannuation is better collected by the ATO and paid to employees' super accounts; and
- give the ATO the ability to seek court-ordered penalties in the most egregious cases of non-payment, including employers who are repeatedly caught but fail to pay SG liabilities.

## Keeping ABN details up to date

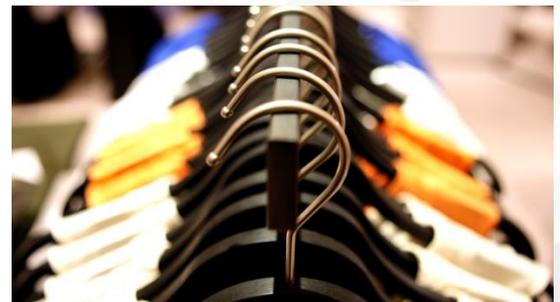
The ATO finds that businesses tend to forget to update their Australian business number (ABN) details in the Australian Business Register (ABR) when their circumstances or details change, so they have asked that we contact our clients to help keep your ABN details up to date and reduce unnecessary contact from the ATO.

## New Approved Occupational Clothing Guidelines 2017

The government has issued new guidelines to set out criteria for tax deductible non-compulsory uniforms.

The taxation law only allows a deduction to employees for expenditure on uniforms or wardrobes where either:

- the clothing is in the nature of **occupation specific**, or **protective** clothing; or
- the wearing of the clothing is a **compulsory** condition of employment for employees and the clothing is not conventional in nature; or
- where the wearing of the clothing is **not compulsory**, the design of the clothing is entered on the **Register of Approved Occupational Clothing**.



The new guidelines outline (among other things):

- the steps that need to be undertaken by employers to have designs of occupational clothing registered; and
- the factors that will be considered in determining whether designs of occupational clothing may be registered.

The guidelines commence on 1 October 2017, and the previous Guidelines are revoked with effect from the same day.

## **ALP announces massive (potential) changes to trust taxation**

Although we don't normally report on Opposition tax policies, this policy change is so fundamental, and the existing state of the Federal Parliament is so chaotic, that we believe it's worth bringing this to your attention.

The Leader of the Opposition, Bill Shorten, has announced that a Labor Government (should they be elected) will introduce a standard minimum 30% tax rate for discretionary trust distributions to "mature beneficiaries" (i.e., people aged 18 and over).

Although the ALP acknowledges that individuals and businesses use trusts for a range of legitimate reasons, such as asset protection and business succession, "in some cases, trusts are used solely for tax minimisation."

Labor's policy will only apply to discretionary trusts, so other trusts – such as special disability trusts, deceased estates and fixed trusts – will not be affected by this change.

Labor's policy will also not apply to farm trusts and charitable trusts, and other exemptions will apply, such as for people with disability (the Commissioner of Taxation will be given discretionary powers to manage this).

Their announcement also reiterated their other policies regarding tax reform, including further changes to superannuation, changes to negative gearing and CGT, and limiting deductions for managing tax affairs.